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NADA

FISHERIES EXPORTS REACH RECORD (page two)

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cover Last year brought a huge sockeye salmon run to British Columbia, the biggest since 1905. Most of the catch pictured here went to the canneries, which packed almost two million cases. The large overseas shipments helped to boost Canada's exports of fisheries products to a new record. The article on page two analyzes 1958 fisheries production and sales and brings out several interesting developments.

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CANADA

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Fisheries Exports Reac

Largest sockeye catch in half a century, plus big herring harvest and increased sales of fresh and frozen fish, boosted Canadian fisheries exports in 1958 to an all-time high of over $155 million.

T. R. KINSELLA, *Chief, Fisheries Division, Agriculture and Fisheries Branch.*

OVER-ALL landings of Canadian sea fisheries in 1958 rose by 1 per cent in comparison with the previous year and totalled 1,851,252,000 pounds. The landed value increased by 25 per cent, to some $101.6 million, as against $81.1 million in 1957. The heavier catch of salmon and herring on the Pacific Coast mainly accounted for this increase.

Landings on the Atlantic Coast for 1958 fell by 9 per cent—from 1,340,497,000 pounds in 1957 to 1,216,573,000 in 1958. The principal reason was the smaller cod catch, resulting mainly from the failure of the cod fishery in Newfoundland which dropped 18 per cent. Despite a 22 per cent fall in the landings of haddock, the value decreased by only 3 per cent because of higher unit prices for this species. Lobster landings were also smaller, although the landed value was 9 per cent higher. Over-all results of fishing activities in Newfoundland in 1958 were disappointing. Even though the number of fishermen in that province rose, total landings of all species fell substantially below the previous year and production of salted fish was the smallest on record.

The largest sockeye catch since 1905 and heavy fall landings of herring were the main factors in the record landed value of Pacific fish. It totalled $50,196,000, or 66 per cent more than the value of the 1957 catch. The 1958 catch of all Pacific Coast species totalled 634,679,000 pounds, or 29 per cent higher than in 1957.

Exports Reach All-Time Record

Exports of all fisheries products in 1958 achieved an all-time record value of $155,016,000, or over 17 per cent higher than the 1957 return of $132,455,000. Shipments went to 80 countries. The export value of fresh and frozen fish—including frozen blocks and fillets as well as fresh water fish—increased. Canned fish shipments to foreign markets, particularly those of canned salmon, also rose. The bulk of the sockeye salmon pack went to the important United Kingdom market; the United States was the principal buyer of canned pink salmon. However, the value of exports of smoked fish, salted groundfish, and pickled and dry salted fish was down.

Imports of fisheries products into Canada were valued at $17.4 million compared with $16.5 million during 1957. Our purchases of Japanese canned salmon dropped significantly last year. In 1957, Canada imported considerable quantities to supplement domestic stocks of sockeye salmon that were depleted because of disappointing runs in the past few years in our Pacific Coast salmon fishery. However, with the near-record pack of sockeye in 1958, these purchases were no longer necessary.

The other major imports included canned shellfish from the United States, canned sardines from Norway, and anchovies from Portugal. We also bought a larger quantity of cod liver oil for medicinal use from the United Kingdom in 1958.

Fresh and Frozen Fish

The export value of fresh and frozen fish, as well as fillets and frozen blocked fish shipments, was higher. The nearly 40 million pounds of frozen fish blocks, chiefly cod, for the manufacture of fish sticks in the United States made up a substantial part of the total. The implementation of voluntary, continuous in-plant inspection and grading standards is considered the main factor in the increased popularity of fish sticks in the United States last year. Production there reached nearly 61 million pounds compared with 53 million in 1957. Over 55 million pounds were packed in the cooked form and the remainder processed as uncooked fish sticks. Prohibitive tariffs of 20 per cent on the uncooked and 30 per cent on the cooked product prevent Canadian exporters from shipping this particular fish product to the United States.

It is interesting to note that during 1958 imports of fresh or frozen groundfish (cod and related species) and ocean perch fillets and blocks into the United States from all sources amounted to 154.7 million pounds, or 10 per cent above these shipments in 1957. Imports from Canada (103.0 million pounds) represented 66 per cent of the 1958 total. Iceland was second with 29.1 million pounds, and Denmark, Norway, and West Germany followed

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with 9.8, 6.2, and 4.0 million pounds respectively. Imports from seven other countries accounted for the remaining 2.6 million pounds. Iceland is still our main competitor in this field and increased its sales to the U.S. from 22 million pounds in 1957 to 29.1 million pounds last year, even though it shipped large quantities of fillets to the Soviet Union, Czechoslovakia, and East Germany under special trade agreements.

Although the Canadian domestic market and the United States continue to be our main outlets for fresh and frozen fish, an interesting trend has been the demand for our frozen salmon in Europe and, to a lesser extent, for limited quantities of frozen salmon, cod, haddock, and ocean perch in the Caribbean area and Latin America.

Salted Fish Production Down

The 1958 output of salted groundfish in Canada showed a drastic drop and this situation was fairly prevalent in other countries supplying important quantities of salt fish. The total carryover of stocks at the end of the previous season in the producing countries and on the markets was relatively low.

As a result, Canadian exporters did not encounter too much difficulty in marketing the available supply, although the continued local controls in some markets limited the returns considerably. For example, Puerto Rico and Jamaica, the leading consumers of the Canadian product, still maintain retail price ceilings. Another deterrent was Jamaica's bulk purchase of a substantial quantity of Icelandic salt cod during the period July-December 1958. Hitherto, Jamaica has bought her requirements of salt cod almost entirely from Canada.

In addition to a continuation of Canada's trade agreements with the Governments of Spain and Portugal covering the provision of dollars for the purchase of Canadian salt cod, arrangements were also made for the sale of $600 thousand worth of Canadian salt cod to Brazil. Exports of this product to Cuba, Trinidad and Italy were lower than in the previous year.

The demand for salted pollock and hake in the Dominican Republic and British Guiana remained strong and sales of pickled fish (alewives, herring and mackerel), as well as smoked herring bloaters, appeared to be satisfactory. However, the reimposition of a retail price ceiling on pickled mackerel in Jamaica reduced shipments to that market during 1958.

Export returns for Canadian salted groundfish (cod and related species) show that shipments during 1958 reached only 110.5 million pounds as against 115.8 million in the previous year. Pickled fish and dry salted herring and salmon were also down from 32.7 million pounds in 1957 to 24.9 million in 1958.

Salmon Pack Increases

The British Columbia canned salmon pack in 1958, at 1,908,056 cases, was the largest since 1951 and included a near-record output of the sockeye variety of 1,079,155 cases compared with 228,452 cases in 1957. Incidentally, reports from our Pacific Coast mention that 1958 will always be remembered by fishermen, cannery men, and conservation workers as the year of the gigantic sockeye run to the Adams River. The total migration of about 19 million fish was the largest single sockeye run in the history of British Columbia and B.C. fishermen hauled in nearly 9.5 million of them. In convention waters they split a catch of 10.5 million fish evenly

The packing lines in a New Brunswick sardine-canning plant are staffed by women. Shipments of canned Canadian sardines reached $2.8 million last year.

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Canadian Exports of Fisheries Products, by Countries, 1954-1958

	1954		1955		1956		1957		1958	
	$'000	%	$'000	%	$'000	%	$'000	%	$'000	%
All Areas	**132,651**	**100.0**	**128,843**	**100.0**	**133,706**	**100.0**	**132,455**	**100.0**	**155,016**	**100.0**
United States	**90,072**	**67.9**	**91,975**	**71.4**	**96,758**	**72.4**	**97,006**	**73.2**	**103,321**	**66.7**
Total British Caribbean	**6,652**	**5.0**	**6,822**	**5.3**	**7,389**	**5.5**	**7,928**	**6.0**	**6,850**	**4.4**
Jamaica	3,708	2.8	3,736	2.9	4,021	3.0	4,456	3.4	3,319	2.1
Barbados	506	0.4	426	0.3	529	0.4	535	0.4	482	0.3
British Guiana	406	0.3	420	0.3	540	0.4	635	0.5	754	0.5
Leeward and Windward Islands	716	0.5	800	0.6	968	0.7	981	0.7	911	0.6
Trinidad and Tobago	1,162	0.9	1,271	1.0	1,153	0.9	1,157	0.9	1,189	0.8
Other British Caribbean	154	0.1	169	0.2	178	0.1	164	0.1	195	0.1
Total Non-British Caribbean	**9,304**	**7.0**	**10,349**	**8.0**	**10,092**	**7.5**	**9,759**	**7.4**	**9,671**	**6.2**
Puerto Rico	2,909	2.2	4,425	3.4	3,205	2.4	3,887	2.9	4,017	2.6
Cuba	2,298	1.7	2,169	1.7	2,820	2.1	2,488	1.9	2,204	1.4
Dominican Republic	1,696	1.3	1,490	1.2	1,831	1.4	1,670	1.3	1,599	1.0
Haiti	1,377	1.0	894	0.7	1,214	0.9	656	0.5	798	0.5
Panama	369	0.2	377	0.3	314	0.2	362	0.3	377	0.3
Other Caribbean	655	0.6	994	0.7	708	0.5	696	0.5	676	0.4
Total Europe	**21,250**	**16.0**	**14,829**	**11.5**	**15,257**	**11.4**	**13,294**	**10.0**	**31,501**	**20.3**
United Kingdom	12,005	9.1	5,783	4.5	8,799	6.6	7,731	5.8	25,453	16.4
Belgium and Luxembourg	2,559	1.9	2,069	1.6	1,284	1.0	1,003	0.8	1,013	0.7
Germany	446	0.3	197	0.2	1,191	0.9	369	0.3	565	0.4
Italy	2,643	2.0	2,534	1.9	1,525	1.1	1,732	1.3	1,214	0.8
Netherlands	1,123	0.8	1,558	1.2	661	0.5	364	0.3	1,091	0.7
Portugal	530	0.4	734	0.6	172	0.1	261	0.2	532	0.3
Spain	506	0.4	800	0.6	847	0.6	1,083	0.8	932	0.6
Other Europe	1,438	1.1	1,154	0.9	778	0.6	751	0.5	701	0.4
Total All Other Countries	**5,372**	**4.1**	**4,868**	**3.8**	**4,210**	**3.2**	**4,468**	**3.4**	**3,673**	**2.4**
Other Commonwealth	2,475	1.9	3,890	3.0	3,455	2.6	3,114	2.4	2,783	1.8
Brazil	1,550	1.2	35	*			397	0.3	308	0.2
Belgian Congo	12	*	77	0.1	17	*	63	*	19	*
Taiwan	158	0.1	80	0.1			164	0.1	40	*
Philippine Islands	188	0.1	298	0.2	338	0.3	293	0.2	93	0.1
All other countries	989	0.8	488	0.4	400	0.3	437	0.4	430	0.3
Total Commonwealth Countries	**21,132**	**15.9**	**16,495**	**12.8**	**19,643**	**14.7**	**18,773**	**14.2**	**35,086**	**22.6**

*Less than half of one-tenth of one per cent.

with United States fishermen, but because of a diversion of the warm-water current in the Pacific, which apparently persuaded a good portion of the run to come through Johnstone Strait, the Canadian fishermen took over 4.2 million in this non-convention area. Escapement figures, including spawners going to all areas of the Fraser system, made up the remainder.

On September 17, 1958, the United Kingdom authorities announced the removal of controls on imports of canned salmon, with the exception of salmon from the Soviet bloc. This was a substantial aid in marketing available surplus stocks of our Pacific Coast salmon. Exports of all varieties of canned salmon in 1958 were valued at $30,640,000, compared with $11,270,000 in 1957.

Principal markets, in addition to the United Kingdom, were the United States, New Zealand, the Netherlands, Belgium, Australia, Italy, Trinidad, Venezuela, and South Africa. However, imports into New Zealand, Australia, Italy, and South Africa were still subject to allocations administered by the importing countries.

Shipments of canned sardines were also larger in 1958; the major outlets were Jamaica, South Africa, Australia, Trinidad, Cuba, British Guiana, Barbados, Panama, Leeward Islands, and the Dominican Republic. Imports of canned sardines (as of salmon) were con-

Canadian Exports of Fisheries Products by Forms, 1954-1958

	1954	1955	1956	1957	1958
	(in millions of dollars)				
All Fish Products	132.65	128.84	133.71	132.46	155.02
Fresh and Frozen	71.95	73.52	77.97	81.46	88.20
Whole or dressed	27.98	26.21	28.50	29.80	35.73
Fillets	26.67	29.05	31.10	33.39	35.17
Shellfish (in shell and meat)	15.30	18.26	18.37	18.27	17.30
Cured	23.34	23.94	22.84	24.51	22.70
Smoked	1.63	1.41	1.76	1.60	1.58
Bloaters and kippers	1.20	0.95	1.23	1.00	1.01
All other	0.43	0.46	0.53	0.60	0.57
Salted and dried	18.29	19.11	17.71	19.42	18.20
Cod	16.33	17.23	15.59	16.84	15.69
All other	1.96	1.88	2.12	2.58	2.51
Pickled	3.42	3.42	3.37	3.49	2.92
Herring	1.56	1.69	1.65	1.88	1.75
All other	1.86	1.73	1.72	1.61	1.17
Canned Fish and Shellfish	27.84	20.20	19.63	16.02	35.63
Salmon	23.97	16.24	14.98	11.27	30.64
Sardines	1.59	1.67	2.12	2.28	2.80
Lobster	1.92	1.84	2.07	2.06	1.82
All other	0.36	0.45	0.46	0.41	0.37
Miscellaneous	9.52	11.18	13.27	10.47	8.49
Meal	4.56	5.67	7.59	6.18	3.85
Oil	1.65	2.21	2.24	0.93	1.32
All other	3.31	3.30	3.44	3.36	3.32

trolled in Australia, New Zealand, and South Africa.

Shellfish Exports Smaller

The lobster catch in 1958 reached only 42,766,000 pounds valued at $15,890,000, as against 44,622,000 pounds and $14,543,000 in 1957. This was a decrease of 4 per cent in quantity but an increase of over 9 per cent in value.

Important quantities of canned lobster were exported to Britain under the United Kingdom Token Shipment Plan, which was still operating on the basis of a past pattern of trade. The United States took almost all of the available supply of fresh and frozen lobster and a large quantity of canned lobster. Sweden, West Germany, Belgium, the Netherlands, and Switzerland were other outlets for canned lobster.

The 1958 production of clams and oysters was down, but the output of scallops remained about the same as in 1957. The over-all value of exports of shellfish in 1958 totalled $19,160,000 compared with $20,415,000 in the previous year.

Fish Byproducts

Landings of British Columbia herring in 1958, according to preliminary returns, totalled 199,100 tons and had a landed value of $6,605,000. This was the third highest herring catch on record and it was exceeded only in 1956 (245,698 tons), and in 1948 (208,483 tons). The much bigger production of herring meal and oil found ready markets. The main outlets for Pacific herring meal in 1958 were the United States, West Germany, Mexico, Hawaii, the Philippines, and the United Kingdom. The bulk of the Atlantic fishmeal was shipped to the United Kingdom and the United States.

Pacific Coast herring oil went chiefly to the United Kingdom, the Netherlands, and West Germany; Atlantic Coast cod liver oil found outlets in the United States and the United Kingdom. Halibut liver oil for pharmaceutical purposes and whale oil were also marketed in the United Kingdom and the United States. Fish livers viscera for oil, fish scales, fish skins, fish solubles, and seaweeds were shipped to the United States.

Exhibits and Conferences

Canadian exporters of fisheries products continued to take advantage of the facilities and services provided by the Department of Trade and Commerce for displaying fisheries products at international trade fairs, particularly in Europe. In addition, a special fisheries reception was held at Canada House, New York City, for importers and foreign buyers in that area.

During January and February of this year, special industry displays (which included salt cod, canned sardines, and canned salmon) were held at the Canadian trade fairs in Jamaica and Trinidad. These exhibits were outstanding and many favourable comments were received from the local trade in these two markets.

Representatives of the Department of Trade and Commerce attended the annual meeting of the Fisheries Council of Canada held in Ottawa during the past week and took part in the discussions on the marketing of fisheries products.

Correction

The article "West Germany Buys Poultry", by Maldwyn Thomas, Vice-Consul and Assistant Trade Commissioner in Hamburg, published in our March 14, 1959, issue, contained an error. In the section "How Prices Compare", one sentence reads: "It is thus doubtful whether Canadian exporters could expect to sell on credit." It should have read: "on a letter of credit basis". We apologize for this editorial mistake.

69540-3—2½

French Measures Ease Dollar Trade

Recent relaxation of France's dollar import controls and cut in import duties hold special interest for Canadian exporters to that market. The author discusses these measures and the commodities that are directly affected.

R. CAMPBELL SMITH,
Commercial Counsellor, Paris.

ON the 28th of December, 1958, the French Government unveiled plans for possibly the most important program of fundamental economic and monetary reforms France has undertaken since the war. In launching the program, the first of a far-reaching series of measures—monetary, fiscal, budgetary and trade—were announced. Among the initial measures, those of immediate interest to Canadian business were the external convertibility of the franc, the 17.55 per cent devaluation, the relaxation of import controls, and the 10 per cent reduction in certain most-favoured-nation tariff rates, (not yet fully proclaimed).

This article deals with the two trade measures: import controls and tariffs. A later report will discuss the general implications of the Government's new economic program in an attempt to assess the outlook for Canadian exports in the French market, sector by sector.

Liberalization of Dollar and OEEC Imports

The first stage of decontrol was announced last December 18, after a year and a half of quantitative restrictions, of varying intensity, on all imports. (An earlier liberalization measure was revoked in June 1957.) As a result of measures taken, with effect from January 1 and January 13, a significant proportion of imports into France from Canada and the United States was liberalized.

France's progress in liberalizing imports, following her payments difficulties from the autumn of 1956 until late last year, now compares very favourably with the situation as it stood just before controls were reapplied in June 1957. At that time only a relatively small proportion of Canadian and U.S. imports was liberalized, though liberalization from OEEC countries covered most imports from that area. This liberalization was revoked after a period of about 18 months. It is significant that discrimination against dollar goods in favour of OEEC exporters is now much less than it was in 1957. Official assurances have been given that further liberalization measures will be announced as rapidly as exchange earnings will allow. (This also implies that the gap between dollar and OEEC controls will be narrowed.)

Prospects for Further Liberalization

France has substantial exchange commitments arising from international loans contracted in recent years. None the less, there are encouraging reasons why the country may decide to free more imports before the year is out. The first and most significant is external convertibility. The French Government has undertaken to convert francs held by non-residents into any desired currency. To do this, it ceases to draw a distinction, for external operations, between French francs and other currencies—whether dollars, pounds sterling, Swiss francs or other. Thus the financial reasons for differentiating between dollar goods and imports from other currency areas have been removed.

The next pertinent fact is that reserves are rising rapidly. Thanks to the moves made on December 28, they have jumped $635 million and the inflow continues.

Finally, the Government's declared policy is to give industry the freest possible access to essential base materials and equipment that may serve to make French exports more competitive in world markets. Domestic industry is being prepared to meet competition within the European Economic Community, both on sales within the Community and to third countries.

Many Canadian materials and equipment of a kind used extensively by French industry are now liberalized and this may improve their chances to enter this market. However, those products that have been freed, and such additional items as may be liberalized later this year, are unlikely to trigger a surge in imports because, on the whole, French industrial activity is relatively stable at present. In addition, devaluation has added to the domestic cost of imports and has made supplies available within the franc area more attractive from the standpoint of price. What will happen—and, as intended, is already happening now—is that French companies will switch from high-priced or less satisfactory suppliers to others.

Freed Imports Analyzed

With some prospects for the further easing of French restrictions, let us analyze the liberalization list as it stands today.

In postwar years, Canada sold a much higher portion of raw and base materials to France than the United States did. To a certain degree, Canadian trade has therefore benefited from the priority that the French Government has given to this sector.

The following table shows the main commodities that Canada exported to France over the past four years and what per cent of the annual totals each represented. The first section groups the commodities liberalized effective in January, giving an indication of the extent to which the decontrol measures affect our "traditional" exports to this country.

PRINCIPAL FRENCH IMPORTS FROM CANADA

(Each commodity as per cent of total year's imports)

	1958 %	1957 %	1956 %	1955 %
A Decontrolled as of January 1959				
Copper	19.1	12.0	12.0	13.0
Asbestos	10.1	11.0	10.0	8.6
Pulp[1]	3.4	7.0	7.4	9.6
Pulpwood and lumber[1]	3.2	6.0	10.0	8.0
Zinc ores	1.1	4.0	1.8	0.7
Furs[1]	1.0	1.9	2.0	1.6
Aluminum	3.6	[2]	2.5	
Leather	0.6	[2]	0.5	[2]
Subtotal	(42.2)	(41.9)	(45.2)	(41.5)
B Remaining under import control as of January 1959				
(i) Substantially freed				
Flaxseed	24.0	15.0	9.0	15.4
Subtotal	(66.2)	(56.9)	(55.2)	(56.9)
(ii) Other				
Synthetic rubber	19.3	18.0	14.0	13.5
Newsprint	5.4	5.0	3.4	5.6
Agricultural machinery	2.1	2.0	2.3	1.1
Raw plastics	1.1	0.5	3.8	2.5
Wheat		11.0	16.0	[2]
Remainder	4.9	6.6	5.3	20.4[3]
	100.0	100.0	100.0	100.0
Total value of imports (billions of francs)	**20.6**	**25.3**	**24.0**	**22.4**

[1]Products liberalized from January 1, 1956, to June 18, 1957.

[2]Less than 0.5 per cent.

[3]Includes ships (8 per cent) and precious metals (5 per cent).

Flaxseed, imported through a government agency, is subject to import controls but can be regarded as substantially freed, because dollar licences have been granted liberally. If this item is included, over 65 per cent of imports from Canada last year can be regarded as decontrolled.

Synthetic rubber, which is one of Canada's main exports to France, has not been liberalized. This product apart, less than 15 per cent of Canadian shipments to France in 1958 remains subject to restrictions. Included in this 15 per cent are newsprint and durum wheat; for them, licences have been issued relatively freely and they have established a place for themselves on the French market.

Non-Traditional Imports Liberalized

Thus far we have been discussing those exports that, regardless of controls, have been a regular feature of our trade with France. But among the products now freely admitted for the first time are a number that have had limited or no access in the past.

A summarized list of decontrolled items was published in *Foreign Trade* of January 31, 1959, and a somewhat fuller but still selected list of liberalized products is given on page 8 of this issue. Included in the latter are the following items for which there is actual or potential demand in France:

Iron pyrites (unroasted), nepheline syenite, iron oxides, sawn lumber, refractory brick, aluminum ingot, needles for industrial sewing machines.

In addition, however, there are several products not yet tested in the French market because they were totally excluded under long-standing controls. Among these are:

Whale fats and oils; meat extracts and juices; fish (in barrels); dessert powders; sauces and condiments; fishmeal; earth colours; barium sulphate; aluminum oxide and hydroxide; nickel oxides, nickel chloride and sulphate; copper sulphate; radioactive isotopes; calcium carbide; vinyl chloride monomer; acetone; monochloracetic acid, nitrogenous fertilizers; casein and caseinates; compound solvents; dressed lumber; articles of wood; tool and brush handles; protective clothing; various machinery and equipment items.

Exporters should note that *either* an import licence or an import certificate is required for all liberalized products except where individual shipments are valued at less than 200 thousand francs. For all practical purposes, the distinction between licences and certificates is unimportant. The former are granted automatically for liberalized goods by the Exchange Control Office and the latter by the Ministries without exchange control clearance. Canadian exporters must be careful, however, to make no shipments of products on the free list valued at over 200 thousand francs, unless an import licence or a certificate has been issued. With few exceptions, import licences are required; the exceptions are spare parts and a few animal and shellfish products for which import certificates are required.

Exporters would be well advised to consult the list *in extenso* for additional items which may prove of interest and should ask for any further information they may need either from the Department in Ottawa or from the Commercial Counsellor's office, Paris. Further reports will be published in *Foreign Trade*, giving available data on trends and prospects in fields of particular concern to Canadian suppliers.

Certain Import Duties Cut

Finally, let us examine what is happening to tariffs. Each of the six countries of the European Economic Community has begun the process of reducing duties

on each other's products. In order that the first cut of 10 per cent, applied on January 1st, should not prejudice discussions for economic association between the Six and the other eleven OEEC countries, the EEC undertook to apply simultaneously a similar reduction to its most-favoured-nation partners, OEEC and other —including, of course, Canada. However, there are several notable exceptions and qualifications. First, the cut will not apply to products coming within the scope of the Coal and Steel Community Treaty and cuts on liberalized agricultural products will be optional rather than automatic. Second, no tariff may be reduced below the level of the EEC common tariff among the six countries and this has not been finally established. In addition, part of it remains to be determined by negotiation among the Six. Finally, all cuts are based on the tariffs legally in force as of January 1, 1957, and in some instances these may be higher than the ones currently applied by EEC member countries.

On December 31, the French Government issued a list of the items on which tariffs are now reduced, except for Tariff Chapters 39 and 50 to 99. Reductions applicable to the latter chapters are expected to be released in the near future.

SELECTED LIST OF PRODUCTS ORIGINATING FROM CANADA AND THE UNITED STATES FREED FROM FRENCH IMPORT RESTRICTIONS FROM JANUARY 1, 1959*

DESIGNATION

Live animals of the bovine species (limited to purebred stock) I.C.
Fish waste
Seed potatoes
Whale fats and oils
Animal and vegetable oils, boiled, oxidized, dehydrated, sulphurized, blown or polymerized or otherwise modified
Hydrogenated whale fats or oils, whether or not refined, but not further prepared
Meat extracts and meat juices, in containers of not less than 25 kilograms
Prepared or preserved fish (other than caviar and caviar substitutes), in barrels
Powders, sweetened or not (not containing cocoa) for making puddings and similar desserts
Sauces and mixed condiments and seasonings
Flours and meals, of meat, offals, fish, crustaceans or molluscs, unfit for human consumption
Iron pyrites (not roasted)
Sulphur, not refined
Graphite, amorphous
Earth colours and natural micaceous iron oxides
Barium sulphate (rock) and carbonate
Natural abrasives (excluding pumice stone)
Asbestos
Natural cryolite and chiolite
Crude natural borates and concentrates thereof (excluding borates separated from natural brines)
Feldspar, nepheline and nepheline syenite and fluorspar †
Beeswax and other insect wax, whether coloured or not
Vegetable waxes, even artificially coloured
Copper ores
Lead ores
Zinc ores
Molybdenum sulphide and concentrates
Oils and other products of the distillation of coaltar: crude oils, benzols, crude basic products, crude phenolic products, crude anthracene
Selenium and tellurium
Arsenic
Alkaline-earth metals (calcium, barium, strontium)
Mercury
Metalloid sulphides: phosphorus sulphide, arsenic sulphide, carbon sulphide
Aluminum oxide and hydroxide
Iron oxides, including earth colours containing 70 per cent or more by weight of combined iron evaluated as Fe_2O_3
Nickel oxides
Vanadium pentoxide
Germanium oxides
Nickel chloride
Nickel sulphate and nickel-ammonium sulphate
Copper sulphate
Radioactive chemical elements and radioactive isotopes, and their compounds
Calcium carbide
Isopropylbenzene (cumene)
Vinyl chloride monomer (monochloroethylene)
Sulphonated derivatives of hydrocarbons, other than polynuclear
Amyl- and isoamyl alcohols
Acetone
Acyclic ketone alcohols (dracetone-alcohol, etc.)
Monochloracetic acid, its salts and esters
Urea having a nitrogen content of more than 45 per cent in dry weight
Carbazol and its derivatives
Pyridine and its salts
Insulin and its derivatives
Nitrogenous fertilizers
Casein and caseinates
Composite solvents and thinners for varnishes and similar products
Natural rubber, except crepe rubber sheets for soles
Scrap of unhardened rubber
Hardened rubber (ebonite) and scrap
Articles made of hardened rubber
Raw hides and skins
Cowhide and calfskins and horsehide
Sheep and lambskin leather
Goat and kidskin leather
Patent leather and metallized leather
Raw furskins †
Furskins, tanned or dressed, including furskins assembled in plates and other forms, pieces or cuttings of furskins
Wood in the rough, whether or not stripped of its bark: poles (not longer than 5.5 m. in length and not exceeding 90 cm. in circumference); pulpwood (not longer than 2.5 m. in length and not exceeding 110 cm. in circumference); pitprops (not exceeding 60 cm. in circumference), all of coniferous wood †
Unfinished lumber (except tropical woods)
Wood, sliced or peeled, of a thickness exceeding 5 millimeters (except tropical)
Railway ties
Drawn wood: match splints; pegs or pins for footwear
Wood, planed, tongued, grooved, rebated, chamfered etc.
Cellular wood panels
Wooden beadings and mouldings
Wooden frames for pictures, etc.
Household utensils of wood
Tool handles
Brush bodies or handles
Boot and shoe lasts
Boot and shoe trees
Reels of turned wood for sewing thread, etc.
Woodpulps †
Waste paper and paperboard
Printed books and publications
Newspapers and periodicals

Music, printed
Maps and charts
Silk waste
Sheep's or lamb's wool
Waste of sheep's or lamb's wool
Sheep's or lamb's wool or other animal hair, carded or combed
Flax waste, for use in papermaking
Cotton, not carded or combed
Cotton linters
Cotton waste
Jute, raw or processed
Special protective clothes (heat-insulating, etc.) for men
Gloves, mitts, stockings and socks, insulating, made of cotton faced with aluminum
Bricks, of magnesite or chrome-magnesite
Refractory bricks, blocks, tiles, etc.
Industrial diamonds
Dust and powder of diamonds
Silver and silver alloys, unwrought
Platinum and alloys, unwrought
Waste or scrap of precious metals
Scrap or waste of iron or steel
Ingots of iron and steel
Laminated blooms and billets of iron or steel
Iron or steel in coils for rerolling
Tubes and pipes, of cast iron
Copper matte; unwrought copper; copper waste and scrap
Wrought bars, rods, angles, shapes and sections and wires, of unalloyed copper
Wrought plates, sheets and strips of unalloyed copper
Copper powders and flakes, other than for fabricating colours
Aluminum, unwrought; aluminum alloys, unwrought; aluminum waste and scrap
Lead, unwrought
Zinc spelter; unwrought zinc
Unwrought tin; tin waste and scrap
Bismuth, unwrought
Cobalt
Cobalt refined and scrap
Antimony
Aircraft engines, between 400 and 2,200 CV; aircraft engines, over 2,200 CV
Distributing pumps fitted with a measuring device
Machinery for packing or wrapping tobacco and matches
Reaper-threshers (combines) for rice harvesting only (crawler type only) †
Needles for sewing machines
Jigs for metalworking
Gear-cutting machines for metalworking
Dividing machines for metalworking
Machinery and equipment for the manufacture of tobacco and matches
Electromagnetic machines (other than generators) of more than 500 CV
Battery separators, of wood
Carbon or graphite electrodes, for electric ovens or electrolytic equipment
Steam locomotives and tenders
Railcars
Parts of locomotives or railcars
Gas meters
Electricity meters

*As amended February 7, 1959.
I.C. Under import certificate.
†Formerly liberalized January 1, 1956, to June 18, 1957.

Belgium's Automobile Industry

BELGIUM manufactures no motor car of her own, yet she is a net exporter of automobiles. French, German and Italian firms have factories in Belgium, as do the two most important United States automobile makers, which have established assembly plants in Antwerp. Today Belgian automobile production gives employment to about 25,000 workers.

A thriving industry supplies tires, batteries, springs, wheels, radiators, textile fabrics, paint and other components to these plants. The added value contributed in Belgium by labour and parts, although it varies according to make, averages 50 per cent. This is, in fact, the minimum required for the granting of an export certificate of origin.

In 1957, of the 124 thousand cars assembled in Belgium, 36,228 were exported. Only 14,920 completely assembled automobiles were imported. This was partly the result of quota restrictions established in 1954 that limited imports to a maximum of 250 vehicles of each make. This arrangement was changed in 1957, when imports of all vehicles assembled outside Belgium, the Netherlands and Luxembourg were placed on a global quota of 40,000 vehicles for the entire Benelux Union. Moreover, assembled vehicles are subject to a customs duty of 24 per cent, but the duty on parts averages only about 10 per cent.

At the end of the transition period of 12 years, the Belgian tariff and quota restrictions should no longer apply to the other Common Market countries. Some fear has been expressed, therefore, that European manufacturers may cease assembly operations in Belgium.

The proposed level of the common external tariff for cars imported from non-member countries into the Six is 29 per cent. The common tariff on certain motor-vehicle parts—such as engines, transmission gears, spares and accessories—has not yet been fixed. It will not be, as in the general rule, the arithmetical average of the existing tariffs of the six countries now applicable to these products. Instead, the six will propose a common tariff after negotiations among themselves. Belgium will presumably expect to have its present low duties on parts adopted by the others. The assembly of United States cars in Belgium may continue, therefore, despite the advantage that all manufacturers in the Six countries will enjoy as a result of the eventual free entry of their cars and parts into the Belgian market.

—J. R. ROY,
Assistant Commercial Secretary, Brussels.

Figures don't lie—but sometimes they don't tell the whole truth. Here is a report on several types of Canadian-Venezuelan commercial exchanges that don't appear in statistics but do merit the increased attention of Canadian businessmen.

Venezuela's "Invisible" Opportunities

W. B. BRETT, *Assistant Commercial Secretary, Caracas.*

THE increased volume of trade between Venezuela and Canada and the fact that Canada buys much more from Venezuela than she sells to her has heightened an awareness of Canada on the part of Venezuelan businessmen. "Canada," they say, "is our second customer. What is it like, this country that absorbs so much of our oil?" Looking farther, they perceive certain striking parallels between Canada and their own country. Both are advancing rapidly as capital pours in to develop natural resources. Both have room for more people. Both are large exporters and both depend rather heavily on sales of a few basic products. These mutual interests have served as a foundation for the warm regard that characterizes relations between the two. But interested businessmen in both have marked where the two economies diverge. In these differences they have seen commercial opportunities and because of them a quite lively trade has sprung up. It does not appear in the trade statistics of either country. It cannot compare in value with the movement of goods but there can be no doubt that on balance it favours Canada.

The Venezuelan Looks at Canada

What are these opportunities that favour Canadian business? They are the stuff of invisible trade. Security sales, sales of services, of holidays, of education, insurance policies and land. They include investment opportunities in banking, manufacturing, mineral exploitation and utilities development. Why have the opportunities arisen? Why do they favour Canadians? The basic reason lies in the different rates of development of the two countries. The Venezuelan boom started later than Canada's energetic development and it started on less. Before oil was exploited, the land was seriously underdeveloped. At the same period, Canada had a history of steady increases in investment and national production. To the Venezuelan thinking of diversity, Canada more than most countries seems a sound second basket for the eggs.

The fact that Venezuela's recent wealth has tended to concentrate in the hands of a relatively small segment of the population has facilitated transfers to Canada and elsewhere. In Canada the wealth is spread more widely. The individual Canadian does not often look abroad. With good prospects at home, he is less apt to consider foreign investment opportunities. However, many of the bigger corporations can and do reflect on the advantages of participating in Venezuelan growth.

Getting a Canadian Education

At the family level, the trade in invisibles includes the purchase of a child's education or a family holiday in Canada. For these, a considerable percentage of the bolivars earned by the Venezuelan is converted and spent as Canadian dollars. To the Venezuelan father, Canadian prices seem attractive and Canadian schools and colleges have a high reputation. Our many Catholic institutions appeal strongly to Venezuelan parents, many of whom regard education elsewhere as too liberal and too far removed from the traditional Latin American schooling. The possibility of learning both English and French is an added attraction. For this reason and also because of proximity, most Venezuelan children who study abroad are sent to Ontario and Quebec.

We do not know how many go each year. The Canadian Embassy in Caracas issues visas to about 175 students a year but the Venezuelan-born student does not need a visa, so we can only estimate that there must be as many more setting forth each fall. The Venezuelan parent is the best man to tell us how much it costs to send his children to school in Canada. After talking to many of them, we calculate the average price for tuition and board at approximately $1,500. In addition to this, money is spent in Canada on transportation, clothes, amusement, etc. In all, these sojourners spend each year a tidy sum. Important to Canada too is the fact that they bring back an understanding of Canadian attitudes and methods.

Enjoying a Canadian Holiday

You will probably earn a blank stare if you ask the Canadian businessman about vacationing in Mérida, tourist capital of the Venezuelan Andes. But ask a Venezuelan businessman about the Canadian Lauren-

ans or even the Rockies and he quite possibly will ame this lodge or that lake. Many well-off Venezuelans ave for years taken a winter holiday at the ski resorts. ometimes they combine a vacation with the bringing f their children to school. Many of these holiday-akers are Venezuelans of European origin, who wel-ome the change from the constant Caracas climate. hey usually stay at fashionable resorts and often their ay is fairly long. They come back relaxed and happier, espite their lighter pockets.

Both the tourist industry and the educational institu-ons in Canada might expand this traffic considerably y cultivating Venezuelan prospects. Advertisements of anadian schools and resorts are seldom seen but those at have appeared have brought results.

ales of Real Estate

In noting a rising interest, even an enthusiasm, for anadian real estate and (to a lesser extent) securities e come to another category of invisible trade. Dealing rst with real estate, we in Caracas often receive indi-idual inquiries about what to buy in Canada and here to buy it. Many of our inquirers are naturalized enezuelans, often erstwhile farmers who want a stake land somewhere. Others are businessmen thinking of anching out in Canada. Most, however, are indi-iduals considering the purchase of urban or suburban ots and buildings. All aim at combining diversity with adual capital appreciation. Apartment buildings come igh in the list of preference. A few Canadian realtors ave established selling connections in Venezuela. Buyer interest seems mainly to centre around Toronto nd Montreal, but Venezuelans are wide-open to sug-estions. This is a field that might repay promotion. The buyer buys sight unseen, so the best guarantee of uccess is the realtors' reputation. The Venezuelan gent too should be carefully selected.

Cultivating the Securities Market

The securities field is even less cultivated but most people here feel that it could be significantly developed. There are many obstacles. First, top-rank securities here yield 5 or 6 per cent and in the lower ranges the yields are much higher. Second, there is not enough play in the usual broker's commission to cover the additional cost of these international transactions and still provide an acceptable profit. Despite this, much could be done by concentrating on diversification of investments.

Many Venezuelan businessmen reserve funds to invest abroad. Usually these represent about 15 per cent of holdings. What is needed is a way to make the purchase of good Canadian stocks easier. One of the few Caracas houses dealing in Canadian issues has laid down some useful principles. It recommends that there be dealings in first-class issues only. It believes also that only a top-flight broker with highly organ-ized facilities should contemplate close relations with Venezuela. Such a firm would have to furnish a Caracas house with up-to-date information, statistical and other-wise, and should be able to make definite recommenda-tions. So equipped, the Caracas broker could pass on to his most likely clients the advantages of a particular issue. Canadian issues listed on the New York Exchange are more readily traded. Income, although it is impor-tant, takes second place to prospects for growth.

Insurance is another strand of the invisible bonds between Venezuela and Canada. General insurance, as in Canada, remains largely the province of British and United States firms and local companies. But Canadian life insurance companies have been active here for some time and in most cases write satisfactory amounts of business. As everywhere, it is a field bounded only by the activity and persistence of the agent. By all the standard measures—population increase, prosperity, etc.—Venezuela should be an expanding market for all underwriters.

Investment in Venezuela

Capital-exporting countries have recognized unique opportunities in Venezuela and Venezuela has wel-comed their interest and appreciated the resulting bene-fits. Even discounting the millions of dollars in oil and iron ore, the United States has the biggest stake in Venezuela. Tires, textiles, paints, automobiles—in all, a wide range of products is manufactured or finished here under famous American brand-names. Britain too has substantial investments in Venezuela. Many other countries, Japan especially, are carefully considering the prospects.

Canada has a creditable investment in this country. A go-ahead Canadian company is producing excellent paper products that have found ready acceptance. A leading Canadian bank has long been established here, with branches throughout the interior. Canadian capital and know-how have for many years been generating power for Maracaibo and Barquisimeto, Venezuela's second and third largest cities. In addition to these, other Canadian interests hold concessions in various parts of the country, some of which will no doubt come into production in the near future.

Venezuela has taken a far-sighted attitude toward development in partnership with other nations. She has never abandoned any of her sovereignty over her resources but to the well-intentioned investor, she is most hospitable. Most money is currently directed to the manufacturing field. The attractions are many. Venezuelan legislation makes no discrimination be-tween capital from foreign or domestic sources and often the authorities provide encouragement by way of customs exemptions, etc. Income taxes were recently increased but are still relatively low and the law makes quite generous provisions for re-investment allowances, especially for manufacturing industries. These credits do not apply to the extractive industries, such as oil and iron ore.

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One area of invisible trade springs from the basic similarities between the two countries—the sale of know-how and technical services. This generally means in the engineering field and in the new science of aerial surveys. In both cases, Canadian companies have accumulated a useful body of knowledge and flexible techniques. The survey methods learned in the air over the Laurentian shield are now applied in the rough hinterland of Venezuela. The problems at Bocono or on the Orinoco may be solved by lessons learned at Kitimat or on the St. Lawrence. Venezuelans know that they must develop their resources with the money earned from oil and iron, and development projects are being pressed. For all the really big projects, know-how is imported from abroad.

Recently Canada was mentioned in invisible trade of the highest order, government borrowing. When Venezuela's Provisional Government examined the nation's books, it found that short-term obligations had to be met for which there was no ready cash. A loan of over $250 million is being negotiated and it seems likely that Canadian banking interests will share in extending the needed credits.

So, from the sending of a child to school in Canada to the investment of millions, invisible trade flows strongly northward. ●

Commodity Notes

Coal

AUSTRALIA—A new contract for 1.2 million tons of New South Wales coal brings to 3.1 million tons the Australian coking coal to be exported to Japan in the next five years. Earnings from these sales are expected to total $18.5 million—Sydney.

Cognac

FRANCE—France produced 27 million gallons (pure alcohol) of cognac in 1957-58. This was substantially lower than the 1956-57 output of 36.5 million gallons. Exports absorbed 68 per cent (71 per cent in 1956-57) and the domestic market 28 per cent of total production; 4 per cent went into the preparation of fortified wines—Paris.

Crystal Tea

CEYLON—A proposal to manufacture crystal tea has been put before the Government. If adopted, it is estimated that it would take two years to begin commercial production. Because crystal tea is more quickly prepared and is very suitable for iced tea, hopes are that tea consumption will rise, especially in the United States—Colombo.

Diesel Engines

BRAZIL—A new diesel engine factory to supply the Brazilian automotive industry is nearing completion. The factory, financed with Swedish and Brazilian capital, will be a branch plant of the Swedish firm, Scania-Vabis. Some 60 per cent of the components for the initial production of 2,000 motors will be made in Brazil. It is expected that within a few years all parts will be produced domestically—Rio de Janeiro.

Eggs

NETHERLANDS—In 1958 the Netherlands exported 227 million dozen eggs worth $137 million. This was five million dozen and $2.5 million higher than in 1957. Holland's main customers were: West Germany 181 million dozen, Italy 18 million, and France 14 million. Exports of poultry in 1958 totalled 42,725 tons valued at $30 million, a 10 per cent rise over 1957—The Hague.

Electrical Equipment

SOUTH AFRICA—One of the most important and progressive secondary industries of South Africa is electrical engineering; it has grown spectacularly since World War II. The largest firm produces electrical components and equipment ranging from elements for domestic irons and kettles to electric motors of 1 to 2,600 h.p.; power transformers up to 10,000 kva.; low and high tension switchgear with breaking capacity up to 250 mva. at 11 kv.; selenium rectifiers for any capacity; current and potential transformers, and motor

trol gear. The equipment is exported to other parts Africa, principally the Federation of Rhodesia and saland—Johannesburg.

RWAY—About 180 thousand mink skins were red during the second fur auction of the season at o, January 8-12. This is a considerable increase r the 1958 offering of 155 thousand skins. Prac-lly all pelts were sold and demand for dark mink ndards) was especially strong. Some 46,000 were red, compared with the previous year's 35,000 ns.

Other pelts offered were as follows, with 1958 res in brackets: pastels 93,000 (89,000), silver-es 17,000 (22,000), sapphires 14,000 (10,000), az 6,000 (nil), palominos 3,000 (nil), aleutians 00 (nil).

Average and maximum prices respectively for males re as follows: standards $26 and $49, pastels $23 d $36, silverblues $15 and $23, sapphires $21 and 3, topaz $21 and $28, palominos $20 and $27, utians $26 and $31—Oslo.

até

RAZIL—A large U.S. financial group is proposing set up a factory in the United States to produce tant maté (green tea). Expansion of maté produc-n in Brazil and the installation of plants there to ocess the by-products are also planned—São Paulo.

otor Vehicles

EW ZEALAND—The assembly of motor vehicles New Zealand in 1957-58 reached record levels; its worth $78 million were assembled. The value ded by the assembly process itself (net output), was 7 million, 11.6 per cent higher than the previous ar.

Although the number of commercial vehicles as-mbled was lower than in recent years, the number cars rose from 32,117 in 1956-57 to 36,168 in 957-58. Tighter import controls were introduced on nuary 1, 1958, and as a result, production may ecline substantially in 1958-59. These controls did ot affect 1957-58 production.

Canada, New Zealand's major supplier of North merican-type vehicles, exported vehicles and parts alued at $2.1 million in 1958—Wellington.

il

RANCE—The Urafrican Company, formed recently y four French banking firms to provide funds for large l pipelines in Europe and Africa, has an initial apitalization of $2.4 million. To augment the capital available for financing pipelines, it plans public offerings on the French Bourse and foreign financial markets—Paris.

Oxygen Steel

AUSTRIA—On December 15, 1958, the first ocean-going vessel of the United Austrian Iron and Steel Works (Voest) was launched in Flensburg, Germany. The 14,000-ton ship, built entirely of Austrian-invented oxygen steel, is expected to demonstrate the suitability of this steel for ship construction. It is reported that oxygen steel has already gained full acceptance from all the leading classification societies in the field of maritime construction—Vienna.

Paper

AUSTRALIA—Associated Pulp and Paper Mills Ltd. plans a £4 million expansion program, including installation of a new high-speed paper machine and ancillary equipment at Burnie, Tasmania. This machine will make wood-free and magazine printing papers. At present, Australia largely depends on overseas sources for the latter—Melbourne.

Petrochemicals

AUSTRALIA—Four big petrochemical plants, costing £23 million, are to be built near Melbourne by Australian and overseas companies by mid-1961. Synthetic rubber and plastics will be the two major products. Output will reach a value of about £11 million a year and will save Australia several million pounds annually in imports. The four companies participating are: Vacuum Oil Company Pty. Ltd., Union Carbide Australia Ltd., C.S.R. Chemicals Pty. Ltd. and Dow Chemical Co. of the United States—Melbourne.

Pine Scrap

NEW ZEALAND—Radiata pine scrap may soon be shipped to Japan. The Japanese will use this scrap, which is left on the forest floor after the smaller trees have been taken out, to make pulp—Wellington.

Pitprops

SWEDEN—Turkey has ordered 3.7 million cubic feet of pitprops valued at $935 thousand from a Swedish timber firm. This order represents more than one-third of Sweden's annual production. Turkey previously obtained her needs in Finland—Stockholm.

Rails

SOUTH AFRICA—Development of production facilities by the government-owned South African Iron and Steel Corporation will reduce current imports and eventually make South Africa self-sufficient in railway rails. The Union has imported 283 thousand tons of

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rails in the past five years, chiefly from the United States, although Canada sold $6.2 million worth in 1958—Johannesburg.

Railway Equipment

AUSTRALIA—Australian firms have won contracts amounting to A£4 million to supply railway equipment to South Africa. Union Carriage and Wagon Co. of Nigel, Transvaal, (a subsidiary of Commonwealth Engineering Co. of Sydney) will supply 322 all-metal mainline passenger cars at a cost of A£6.2 million. Delivery will start within 18 months, at the rate of ten units a month. Industrial Steels Ltd. of Sydney will build 70 van sets of cast-steel bodies, worth A£9 million, with South African and West German firms winning the other contracts—Sydney.

Rubber

GUATEMALA—The Guatemalan Government has been granted a $5 million loan from the United States Development Loan Fund to finance expansion of rubber production. This is the initial stage in a development project which, if successful, may be expanded to 80,000 acres in the Pacific Coast region. Conditions for high yields of natural rubber are said to be ideal there and a big U.S. tire company has already spent considerable money and effort on an experimental plot. When the entire scheme is in operation, crude rubber production should total 40,000 tons a year, worth $20 million, and should reduce Guatemala's dependence on coffee as an export earner—Guatemala City.

Sugar

SPAIN—The current season's sugar production, estimated at some 460 thousand tons, represents an increase of 94,500 tons over last season. Sugar beet is the most important source, accounting for over 90 per cent of total output. Over 350 thousand acres in 31 provinces are grown to sugar beets; cane is grown on some 12,500 acres in the warmer southern provinces of Almeria, Granada and Malaga—Madrid.

Synthetic Fertilizers

PERU—If its plans work out, Peru will increase its production of synthetic fertilizers tremendously. The country's first synthetic fertilizer plant was expected to begin production early this year at the port of Callao. Annual output will be 25,000 tons of ammonium nitrate, 15,000 tons of ammonium sulphate, and 1,500 tons of nitric acid for explosives. The plant cost US$10 million and was financed by Peruvian and Italian capital.

A government agency in Southern Peru intends to build a $6 million plant with a capacity of 18,000 to 20,000 tons of urea, with 46 per cent nitrogen.

A Peruvian firm has opened negotiations with a Japanese consortium to establish, at a cost of US$16.5 million, a plant which will produce 40,000 tons of ammonium sulphate and 20,000 tons of urea a year—Lima.

Tin

THAILAND—Current tin prices have improved and Thailand's export quota has been raised by 250.5 tons to a total of 1,920.5 tons for the second quarter of 1959. The increase was agreed upon by the International Tin Council at its February meeting in London—Singapore.

Tobacco

SOUTH AFRICA—South Africa's tobacco crop for 1958-59 is the largest yet grown in the Union. It is estimated that the Virginia tobacco crop (95 per cent of total production) will be worth about $171 million compared with $147 million in the previous season—Johannesburg.

Tours of Territory

A. W. EVANS, Trade Commissioner in Liverpool, England, will visit the Isle of Man at the end of April.

C. M. FORSYTH-SMITH, Trade Commissioner in Hong Kong, will visit Canton, China, for one week beginning about April 25.

T. F. HARRIS, Consul and Trade Commissioner in New Orleans, Louisiana, will visit the following cities in Texas from April 13-24: Beaumont, Galveston, Corpus Christi, San Antonio, Austin, and Houston. While he is in Corpus Christi, Mr. Harris will visit the International Trade Fair there.

C. O. R. ROUSSEAU, Commercial Secretary in Beirut, Lebanon, will visit Jordan from April 20-24.

R. K. THOMSON, Commercial Secretary in Vienna, Austria, will visit Sofia, Bulgaria, from April 16-17.

R. G. WOOLHAM, Assistant Commercial Secretary in Tokyo, Japan, will visit Seoul, Korea, from June 1-5.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Evans at Liverpool, Mr. Forsyth-Smith at Hong Kong, Mr. Harris at New Orleans, Mr. Rousseau at Beirut, Mr. Thomson at Vienna, and Mr. Woolham at Tokyo.

Recovery Has Begun

se in copper price, good tobacco crop, and im-ovement in exchange reserves have led to relaxa-n of credit controls; business is picking up. anadian trade should also improve; relaxation import controls may broaden opportunities.

S. GLASS, *Trade Commissioner, Salisbury.*

BUSINESS and trading conditions in the Federation Rhodesia and Nyasaland in 1958 can best be scribed as spotty. Some improvement took place the last two or three months of the year but a mber of weak spots remained. To appreciate what s happened, the reader must have a certain amount background.

After the Federation was born in 1953, its major ies began to expand at an almost unbelievable rate. building boom set in, credit was easy, and many took lvantage of this boom to make money fast. Secondary dustries also began to appear and, with so much oney in the pockets of the public, retail establishments ew and flourished.

opper Prices Fall

Then, in 1957, copper prices on world markets began tumble and the copper mines of Northern and outhern Rhodesia were hard hit; the flow of foreign change from the sale of copper decreased drastically. xports of blister copper during the first nine months 1956 were valued at £33.8 million but during the me period of 1957 dropped to £25.8 million and in 958 to only £10.9 million. The story of electrolytic ire bars is similar—exports fell from £40.6 million 1956 to £33.7 million in 1957 and to £32.8 illion in 1958. Cathode fell from £12.9 million in 956 to £3 million in 1958. In addition, exports of hrome ores decreased from a value of £2.7 million 1956 and £4.6 million in 1957 to £2.4 million in 958. The other major export is tobacco, which main-ined its position and even increased its exports from 21 million in 1956 to £27 million in 1958.

The falling-off in total export trade is revealed in the gures for the first ten months of 1958. Sales abroad eached only £119.3 million in value, compared with £135.9 million for the same period of 1957. The commodity group "metals and manufactures of metal" alone accounted for £14.9 million of this sales loss. Imports into the Federation for January-October 1958 fell to £134.8 million from the £147.5 million of 1957. The unfavourable balance of trade for the first ten months of 1958 thus reached £9.8 million as against £6 million for the same period of 1957.

Credit Squeeze Adopted

Because of the fall in exports and loss of foreign exchange earnings, the Central Bank found that its overseas reserves had been drained to a dangerous low. The Government did not wish to reimpose import control and therefore resorted to the more indirect method of a credit squeeze. The banks were requested to restrict overdrafts and loans and to call in overdrafts whenever possible. Instalment-plan purchases were regulated by increasing the down payment to as high as 50 per cent of the cash value and reducing the time over which the remainder had to be paid. A seven-week strike in the copper mines of Northern Rhodesia cut down buying in that section.

The measures taken to control credit, plus the copper strike, definitely reduced purchasing power and this in its turn affected business establishments and manufacturers. The construction industry slowed down considerably.

The year 1958 was a record one for bankruptcies and liquidations in the Federation: they totalled 99 compared with 56 in 1957. Already 1959 is well on the way to an all-time record for insolvencies and bankruptcies. In the first two months of the year alone they reached 31, of which 17 were declared bankrupt by court order and only three placed under judicial management.

On the face of it, business conditions in the Federation appear to be most difficult. However, there is another point of view that seems to be more in keeping with the facts. One of the troubles has been the over-expansion in and under-capitalization of many businesses; they have been operating on the proverbial shoestring and would certainly not have existed at all but for the boom years. Many were unhealthy and uneconomic and their survival depended entirely on

their ability to obtain money for working capital. Therefore the elimination of these soft spots can well benefit business as a whole.

It is worth noting that during this period of overseas exchange shortages and credit squeeze, foreign capital and investment funds continued to flow in almost unabated, mainly from the United Kingdom and, to a lesser extent, from the United States. Government loans were successfully floated both in the United Kingdom and the United States during 1958.

Controls Eased at Year-End

At the end of 1958, the Government eased the credit squeeze by relaxing the controls on instalment buying. Down payments were cut to 25 per cent on most goods and the period for instalment payments was increased to 18 months. This gave a much desired fillip to retail sales and, in general, retailers reported that Christmas trading was far better than they had expected. One point was generally stressed, however, by all retailers (with the exception of the low-priced stores of the Woolworth and Kresge types)—that the public last year was being much more discriminating in its purchases. Whereas a year ago buyers would pay 15 to 20 shillings for a necktie, last year it was in the 10 to 15-shilling range that most sales were made. As a corollary of this, the low-priced stores enjoyed one of the best Christmas seasons yet. This, of course, reflects the fact that there is less ready cash in the hands of the buying public.

At the end of February 1959 the Government announced the removal of all credit restrictions. It is, however, keeping a strict watch on imports to prevent a recurrence of overseas exchange difficulties and it would appear that more attention will be paid to the essentiality of goods to be imported.

Especially in Nyasaland and Northern Rhodesia, there has been a certain amount of unrest which may for the time being have a bad effect on business conditions in these two areas. In Southern Rhodesia, although there has been some tenseness brought about by conditions in the other territories, there has been no upheaval and business continues unchecked.

Canada and the Federation

Naturally, Canadian exporters have felt the effect of the more difficult trading conditions within the Federation. Our sales to Rhodesia and Nyasaland dropped from $4.9 million in 1957 to $3.9 million in 1958, largely because of smaller shipments of Douglas fir and hemlock planks and boards, mining machinery, and automobiles. Sales of wheat, on the other hand, went up last year by $675 thousand over 1957. Canadian purchases from the Federation showed a slight increase in the first ten months of 1958 over 1957—from $1.07 million to $1.25 million. Tobacco and various minerals and metals are our main imports from this area.

As the review of import controls in the sterling a in the last issue of *Foreign Trade* pointed out, cert products were decontrolled on January 1, 1959, may now come in freely from the dollar area; the includes watches and clocks, cash registers, pla sheeting, and toys. In addition, there are limited quo covering import from the dollar area of dome refrigerators, electric stoves and washing machir wheat, piece goods, and motor vehicles. Most do goods come in under Open General Licence but import of about 90 products is restricted.

The prospects for the short and long-term fut appear to be good. Copper prices have regained mu ground recently and the mines are in full product again. A bumper tobacco crop is anticipated in b Northern and Southern Rhodesia and in quality leaf bids fair to be superior to last year's crop. If t improvement in production and in export earni continues and there are no unsettling developme Canada should share in the pickup in this market.

Trade Commissioners on Tour

The following officers of the Trade Commissioner Se ice will shortly begin tours in Canada. Their itinerar are:

J. H. BAILEY, Commercial Secretary in Paris, Fran

Montreal—April 13-17
Toronto—April 20-24

M. B. BLACKWOOD, Commercial Secretary in D karta, Indonesia:

Vancouver—April 20-22
Ottawa—May 11-22
Montreal—May 25-27
Hamilton, Brantford—May 28-
Toronto—June 1-3
Winnipeg—June 4-5

N. W. BOYD, formerly Assistant Commercial Secreta in Berne, Switzerland:

Ottawa—April 20-May 8
Winnipeg—June 29-July 11
Regina—July 13-14
Saskatoon—July 16
Vancouver—July 20-August 7

When he completes his tour Mr. Boyd will be post to Tokyo, Japan, as Assistant Commercial Secreta

Businessmen who wish to see these officers shou get in touch with the Board of Trade or Chamber Commerce in the cities mentioned, with the followi exceptions. In Toronto, Winnipeg and Edmonton, t Trade Commissioners make their headquarters at t offices of the Canadian Manufacturers Association; Windsor, Ontario, at the offices of the Greater Winds Industrial Commission; in St. John's, Ottawa and Va couver, at the Department of Trade and Commerce; Victoria, at the Department of Trade and Industry, a in Fredericton at the Department of Industry a Development.

Canada Goes to the West Indies

ORMAN DAHL, *"Foreign Trade."*

IN January and February, while most Canadians ere grimly going to work with backs against the ind, the Department of Trade and Commerce, Ottawa, as setting about much pleasanter tasks in the 80 to)-degree heat of the Caribbean. Here a corps of epartmental officers, Canadian businessmen and enter-iners was presenting the first all-Canadian Trade Fairs ver to be held in Jamaica and Trinidad.

The impact of the fairs on the islands showed in the tendance figures. From the moment Sir Grantley dams, Prime Minister of The West Indies, cut the hite ribbon at Kingston on January 16, until the maican fair closed on January 25, some 57,000 eople paid admission fees, and thousands more with ee passes (mostly schoolchildren) poured through ie gates. A similar story is told of Trinidad between ebruary 20 and March 1; paid admissions there talled 80,847. And each show could probably have n for a month, according to officers we interviewed.

Settings of the two fairs were different, though the me aluminum-and-plastic dome, royal blue canvas ands, winged marquee, and star-roofed stage were sed in each. Colours were brilliant, in keeping with ese colour-flooded islands. In Kingston the setting as a well-groomed cricket park; in Port-of-Spain it as an open space by the sea, about two miles from ie centre of the city.

loods of Inquiries

The plastic dome which housed the Canadian Gov-rnment information stand and other exhibits was source of wonder. "It was fun explaining," remarked ne official, "that the thing was held together not by uts and bolts, but by geometry!" The dome hung ghtly over its exhibits, kept everything dry in sudden ropical downpours, and stood firm in the occasional trong gusts of wind. Officers from the Department nanned the information counters and handled trade nquiries. So great was the demand for information bout Canada, said one official, that a counter gave vay, not from rowdyism but from the sheer weight of lbows of earnest inquirers. Many of these were child-en, who arrived in busloads, carefully examined the iterature handed to them, and kept it to read to their arents.

With children safely stowed in the playground that vas provided, older visitors could wander more freely hrough the exhibits and to the open-air theatre. Cliff McKay, with three of his best musicians and pretty Denyse Angers, turned out a lively show, and films carried audiences through Canadian scenes from Quebec City to Kitimat, drawing from 2,500 to 3,500 to each showing.

A high point for many was the daily fashion show. Down the ramp came beautiful West Indian models wearing Canadian dresses, bathing suits, hats, shoes and furs. The garments ranged from lower-priced ones that most of the women in the audience could buy in local shops, through medium-priced dresses and sports clothes to the "creations"—out of reach of most, but which, set off by Canadian furs, added the fairy-tale touch that all fashion shows need.

Trade Exhibits Successful

Departmental officers had some interesting things to say about the individual trade displays. In general, those with high colour and movement attracted the most attention. However, a company with a static display of pegboards hung with packaged boxes of brightly coloured towels made sales and new contacts without special gimmicks. But it added one important thing: local girls who were on the job at all times—girls well acquainted with their product and, most important, with their customers.

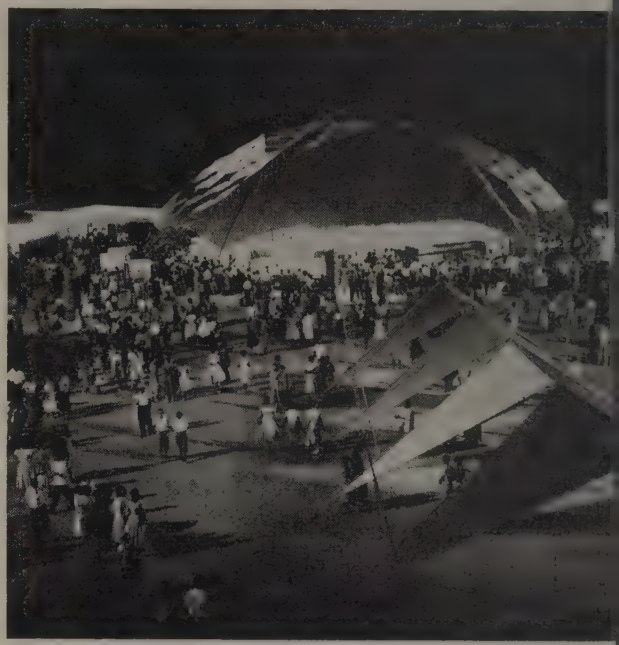
Among the exhibits that used animation to good effect were two rather unusual ones. A brewing firm displayed a full suit of armour which periodically came to life and clanked about the grounds to the delight and consternation of the crowd. And a shoe company exhibited the latest in high-style shoes not only on its racks but on the feet of "Miss Jamaica" herself.

There were other ways in which businessmen made themselves known. One enterprising gentleman rented a small car in Kingston and scoured the countryside for stores in which he thought he might sell his product. He introduced himself, looked the store over and, if the situation seemed promising, invited the merchant to his stand. Another firm conducted a daily draw for a basket of foodstuffs using forms on which the ticket holders noted the food products they were interested in and the store they usually patronized.

What did the fairs accomplish? Some firms report new agency connections and others better-informed agents and a more interested public. Many participants are setting about filling orders for their products and answering inquiries—some of them about whether or not the fairs will be held soon again, in these and other islands. Thus, even at this stage, the fairs stand as worthwhile promotion efforts—effective boosters of Canada's sales to the Caribbean. ●

Enjoying an informal tour of the fairgrounds at Sabina Park, Kingston, Jamaica, just after the opening of the Canadian Government Trade Fair on January 16, are (left to right): the Honourable J. Angus MacLean, Minister of Fisheries, Howard Campbell, Canadian Trade Commissioner, Kingston, and the Honourable Sir Grantley Adams, Prime Minister, the West Indies.

The photographer here has caught an interesting night view o in Kingston. The dome, an off-white colour in daylight, hu plastic half-bubble and glowed greyish-green at night. The bri marquee in the foreground formed the entrance to the exhi display stands not housed under the dome can be seen in



Canada Goes to the West In

Visitors swamp the Canadian Government booth in Port-of-Spain with questions about Canada. Those bent on serious business could go to a slightly more private area behind the aluminum screen that served as a backdrop. Highlighting the design of the information stand and facing the visitors as they entered the dome was the 5,000-pound aluminum ingot.

Trade fairs are ideal places for business and Canada's Deput Trade and Commerce, Mr. John H. English, is fully aware At Port-of-Spain, Mr. English finds the exhibition grounds a exchange views with the Hon. Eric Williams, Chief Minister

Port-of-Spain, Sir Grantley Adams arrives at the Canadian Trade Fair th R. G. C. Smith, Commissioner for Canada in The West Indies, and eets P. T. Eastham, Assistant Commercial Secretary. Sir Grantley was esented with an engraved silver tray on Feb. 20 by Col. the Hon. Alfred Brooks, Minister of Veterans Affairs and Canada's official representative.

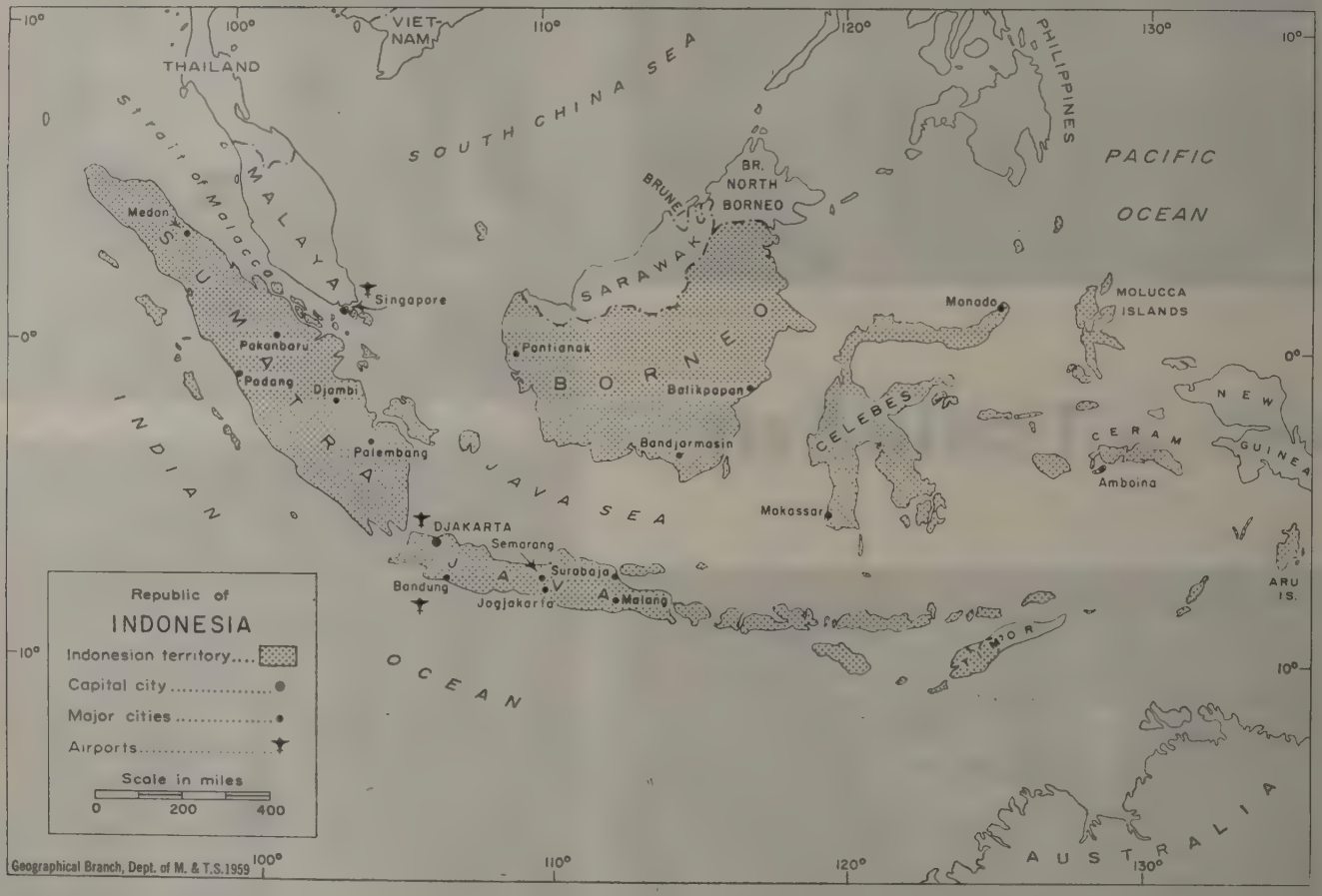
Visiting the stand in Jamaica of a Canadian food processor is the Mayor of Kingston. With her, and obviously enjoying her enthusiasm for his display, is the president of the firm himself.

with a Trade Fair

hese busy young fair visitors in Kingston clamber over the broad back and ail of a green-and-red "dinosaur" and do a few turns on its outspread legs. wo little girls in the foreground are rushing off for other sport on the oboggan run, swings, teeters, roundabout and bouncing horses. All the layground equipment at the fairs was made by a well known Ontario firm.

This ball-gown, designed by a famous Montrealer and modelled here by a West Indian girl, caught many eyes at the fashion shows during the Kingston fair. The dress is made of white nylon chiffon tricot and the bow and streamers of black velvet.

MILTON B. BLACKWOOD, Commercial Secretary in Djakarta, writes about the country in which he has been promoting Canadian trade for the past year. He is expected in Canada shortly on leave and will also consult with businessmen during a cross-country tour beginning April 20 in Vancouver. Mr. Blackwood joined the Trade Commissioner Service in 1951 and was stationed in Hong Kong and Bonn, Germany, before going to Indonesia.



The Market in Indonesia

THE Republic of Indonesia embraces an archipelago of some thousands of islands lying astride the equator and between the continents of Asia and Australia. It covers a total land area of 575 thousand square miles; Java, Sumatra, Borneo (Kalimantan) and Celebes (Sulawesi) are the four main islands. The most densely populated island is Java, which has about 60 million people out of a total of some 85 million for the whole country. Principal cities in Java are Djakarta, Surabaja, Bandung and Semarang. Djakarta is the capital and the centre of political and business activity, with a population of over 2.5 million. Djakarta and Surabaja are the principal ports.

Java and Sumatra

Agriculture is the most important occupation throughout the whole of the island group. About 80 per cent of the population make their living from it, either as peasants or as part or full-time workers on agricultural estates (plantations). Java not only has the largest area of land under cultivation but the soils, which are of volcanic origin, are richer than in other parts of the country. Rice, corn and other food crops are grown by smallholders but Java also has many large estates producing cash crops of rubber, sugar, coffee, tea and fibres. Apart from petroleum production and mining, it is the industrial centre of Indonesia because it has the greatest labour reservoir and the largest domestic market.

Sumatra is the second most important island in terms of development and possesses the largest agricultural estates. Its main cities are Medan, Palembang and Padang; each has port facilities. Principal products are rubber, palm oil, tea, fibres, and cocoa. Smallholders grow commercially important quantities of rubber, coffee, cloves, and forestry products. Banka, Biliton and Sengkep, small islands off the coast of Sumatra, have important tin mines and bauxite is mined on Bintang, another small island. On the island of Banka pepper is grown by smallholders. Petroleum is found in various parts of Sumatra and the largest oil refineries are located near Palembang.

Borneo, Celebes, Moluccas

Borneo (Kalimentan) is the largest island in Indonesia but it is thinly populated. The main centres are the ports of Pontianak, Bandjarmasin and Balikpapan; the last-named is also an oil-refining centre. Exports in addition to oil are rubber, pepper, and various forestry products such as rattan and teakwood.

The last of the main islands is Celebes (Sulawesi). Makassar and Menado are the principal centres and copra is the main export. To the east of Celebes lie the Moluccas, historically famous as the spice islands. One of the many other islands in the archipelago is Bali, which has an international reputation for its tourist trade.

The Indonesian economy is still under-developed. This is reflected in the fact that most of her exports are either products grown on the soil or mined from it. The eight major commodities making up over 90 per cent of exports are rubber, petroleum, tin ore, copra, coffee, tea, tobacco and palm oil. Among the remaining products are kapok, sugar, spices, hides and skins, coconut, sago, tapioca, and palm oil kernels.

Although the economy is predominantly agricultural, some foodstuffs must be imported; the most important is rice. Indonesia produces about 7.5 million metric tons of rice a year but this is not sufficient to meet the needs of the rapidly expanding population. Imports of rice in 1958 ran to about 700 thousand metric tons and required a larger outlay of foreign exchange than any other single item. Experts in Indonesia believe that, with improved production techniques—particularly greater use of artificial fertilizers—self-sufficiency in rice could be achieved. Other food products imported in some volume are milk (both dried and canned), wheat flour, and fish.

Local industries, particularly in Java, turn out some consumer goods but a high proportion of the raw material has to be obtained from abroad. In addition, to maintain production or develop new industries, capital equipment must be imported. Among the major products brought in, apart from the foodstuffs already mentioned, are cotton piece goods and yarns, iron and steel products, industrial machinery, chemicals and pharmaceuticals, newsprint, writing papers and cardboard, automobiles, trucks and buses, gunny bags and packing materials.

In recent years, exports and imports and the balance of trade have shown the following totals:

Year	Exports	Imports	Balance
	(in millions of rupiahs)		
1955	8,197	6,491	+1,706
1956	7,495	9,097	−1,602
1957	7,375	8,169	− 794
1958	5,339	5,377	− 38

These figures exclude petroleum and its products because the arrangements between the Government and the foreign oil companies are on a profit-sharing basis. Oil exports are not therefore usually taken into account in reckoning the balance of trade.

Currency and Exchange Controls

Indonesia's currency is based on the decimal system. Since 1949 the rupiah has been the legal tender. There was a currency devaluation in 1952 and the exchange rate of Rps. 11.40 to the U.S. dollar was established. The fixed rate was abandoned in June 1957, when new foreign exchange regulations came into effect binding the rate of exchange to the value derived from export transactions. The export certificates—or B. E.'s as they

Hints to Exporters

Canadian firms interested in exporting to Indonesia should bear in mind the following points:

▶ *Because it may take up to three months for an import application to be approved, export price quotations should be firm for as long a period as possible.*

▶ *All offers should be made on the basis of f.o.b. Canadian port, with ocean freight to Indonesia shown separately. This is essential because Indonesian importers must enter these items separately on import applications.*

▶ *Because of rough handling at the ports of discharge and the risk of pilferage, all shipments should be strongly packed.*

▶ *Quotations should be in United States dollars because Indonesian banks do not quote a cross rate for the Canadian dollar.*

▶ *All correspondence, including important catalogues, should be sent airmail; seamail from Canada takes up to two months to reach Indonesia.*

▶ *Indonesia uses the metric system almost exclusively, and offers should be based on this system whenever possible.*

▶ *This is a price rather than a quality market. The import authorities carefully check prices when they are issuing licences. Quotations should therefore be as low as possible.*

are commonly known from their Indonesian name Bukto Ekspor—are issued by foreign exchange banks for all foreign currencies obtained from exports or transfers. Importers must purchase B. E.'s from exporters via the foreign exchange banks. The price of the certificates was originally determined by supply and demand but by April 1958, ten months after the new system came into effect, B. E.'s were quoted at 332 per cent of the parity rate exchange (Rps. 11.40 to the U.S. dollar). As there was no indication that the rate would stabilize, a ceiling was established at 332 per cent and this is still in effect.

Import Controls

All imports are under strict control and may only be made by officially recognized importers. The import of certain goods is reserved to Indonesian importers; the recognized foreign import firms in Indonesia do not therefore have a complete choice of products. Imports are divided into six categories, ranging from highly essential to luxuries. They are subject to an import surcharge, known as TPI, which ranges from 0 to 175 per cent depending on the essentiality of the goods.

When an importer applies for an import licence, he must make a guarantee deposit equal to 133⅓ per cent of the c. & f. value of the goods at the parity rate of exchange. When the application is approved, this deposit is refunded but the importer must then produce a B. E. certificate to the c. & f. value of the shipment and also deposit the amount of TPI applicable. Once a licence is issued, the import must be made within a period determined by the Foreign Exchange Institute or the deposit is forfeited to the Government. Trading must be done through foreign exchange banks. Payment to the foreign supplier may only be made after the foreign exchange bank has received the documents showing that the goods have been shipped to Indonesia. Shipment of goods before a definite licence is issued is not permitted. Letter-of-credit financing is recommended. Since early 1958, Bank Indonesia, the central bank, has only guaranteed 60 per cent cover on letters of credit opened by the foreign exchange banks.

Foreign Investment

Indonesia is well endowed with natural resources but is still basically under-developed. Much capital, labour and technical know-how will be needed before her riches can be fully exploited. In the latter part of 1958 a foreign investment bill was passed and a bill on petroleum production and mining is currently before Parliament. As a result of this new legislation, it is expected that the foreign companies currently operating in the country will gain new development concessions and the Indonesian authorities hope that other foreign firms will come in. Untapped deposits of nickel and asbestos, as well as partially-developed resources of manganese, gypsum, bauxite, and iron ore, offer opportunities for foreign investment. Electric power supplies are as yet inadequate. Some progress is being made in increasing the production of hydro-electric power but much remains to be done in this field.

Transportation

In the transportation sector, only Java has a road and rail network but it is less than adequate. The outer islands not only need roads and railways but also air communications to cover the vast distances. Since the departure of the Dutch KPM fleet early in 1958, there has been a severe shortage of inter-island shipping.

Under Indonesia's current Five-Year Plan, which runs until 1960, a number of projects have been initiated. Because of chronic foreign exchange difficulties, however, development projects have depended largely on foreign aid. Although the country's financial position is improving slightly, it is expected that assistance from abroad in the form of loans and credits will be an important factor for some time in the future. If satisfactory arrangements can be worked out, there may be

opportunities for Canadian firms to participate in Indonesia's economic development, either as consultants or as suppliers of raw materials and capital equipment.

Trade with Canada

For the past five years Canada's exports to Indonesia have been running from $1.5 million to about $2 million per year. The total for 1958 was $1,694,703 and the major items were: trucks ($593,402), ammonium sulphate ($275,673), light aircraft ($230,051), and gas engines and parts ($106,584). Machinery spare parts, steel sheets, automobile accessories and related items made up the remainder. In view of the strict import controls, it is expected that opportunities for Canadian exporters will continue to be confined largely to capital goods, equipment and raw materials which are essential to the functioning and upbuilding of Indonesia's economy. ●

General Notes

Belgium

BRANCH PLANTS—In the past three years, the number of United States firms establishing branch plants in Belgium has increased 50 per cent. A total of 280 companies are now established, involving an over-all investment of some $200 million. The reasons for this rapid increase include sound local currency, dependable political and labour institutions, reasonable fiscal laws, good transport facilities, high per capita exports and a capable labour force—Brussels.

Ceylon

HYDRO-ELECTRIC SCHEME—Work on the second stage of the Laxapana hydro-electric scheme has been completed at a cost of Can.$30 million. The project took three years and included the building of the biggest dam in Ceylon—the Castlereagh Dam—with a water storage capacity of 1,000 million cubic feet, and rising 130 feet from the river basin. The powerhouse generates 50,000 kilowatts. The scheme was financed mainly by the World Bank which met the foreign costs totalling Rs.80 million (Can.$16 million)—Colombo.

Europe

MUTUAL FUND FORMED—Seven banks from the Common Market countries have combined to form an "open end" investment fund. This private trust, to be known as Eurunion, will hold a diversified portfolio of investments in various European enterprises. It is seeking a listing on the Luxembourg Stock Exchange and later on the Amsterdam Exchange. A German and a Swiss trust each specialize in Common Market securities but Eurunion is the first consortium of this type—Brussels.

South Africa

INVESTMENT IN SOUTH AFRICA—Capital totalling £27 million flowed into South Africa in the third quarter of 1958, a sharp rise over the earlier half-year and a reversal of the position in the third quarter of 1957. The American South African Investment Company that was formed to buy South African gold-mining securities accounted for £11 million of the total—Johannesburg.

West Germany

ECONOMY BOOMS IN 1958—According to a preliminary report from the Federal Statistical Bureau, West Germany's gross national product reached DM222 billion in 1958. This 6 per cent rise over 1957 was attributed equally to price and real increases. The services sector of the economy increased its contribution to the G.N.P., but the shares of both the manufacturing and distributing sectors declined.

Germany's 1958 balance of payments showed a DM5.9 billion surplus, the largest in the country's history. Exports reached a record DM37.0 billion, and imports, at DM31.1 billion, fell 1.8 per cent below the 1957 level. In constant terms, however, imports into Germany rose by some 7 per cent over the previous year—Bonn.

VENEZUELA:

Canada's Largest Egg Market

Last year 80 per cent of our shell egg exports went to Venezuela. Can we retain this large market? What about import regulations and domestic production? For the answers, read this article.

R. D. SIRRS,
Assistant Commercial Secretary, Caracas.

RECORD-SETTING sales in 1958—11,396,040 dozen valued at $4,104,623—point up the continuing popularity of Canadian shell eggs in Venezuela. The Venezuelan's liking for Canadian eggs has, since 1954, made his country our largest market for this product; in 1958 it took 80 per cent of our total egg exports. The table shows how Venezuela has overtaken the United States, once Canada's principal customer for shell eggs.

CANADIAN EGG EXPORTS TO

	VENEZUELA		UNITED STATES	
	Dozen	$	Dozen	$
1952	2,297,060	1,056,393	5,156,213	2,926,197
1953	2,006,860	939,659	4,003,597	1,942,210
1954	3,150,710	1,396,199	2,361,859	1,099,846
1955	1,697,420	699,252	1,280,495	572,072
1956	1,790,790	796,022	1,505,407	723,533
1957	7,433,602	2,614,106	537,216	225,030
1958	11,396,040	4,104,623	1,810,014	680,382

Bermuda, Trinidad and Mexico, other significant importers of Canadian eggs, buy much smaller quantities.

Canadian Quality Appreciated

Canada is the second largest supplier of eggs to Venezuela. The United States still holds first place; her sales in 1957 were worth US$9,117,868 (Venezuelan statistics).

Because of their high quality, Canadian eggs enjoy a price premium over most other imports of between 50 cents and $1.00 per case of 30 dozen. The browns are particularly well received by Venezuelans who generally consider them a superior egg. This fact has helped to raise the demand for Canadian eggs since our shipments include a substantial proportion of them. But of course price quotations must be reasonably close to the over-all market level. The demand has been further intensified as a result of recent regulations that tend to rule out under-grade shipments. Strict adherence to regulation tolerances has ensured the ready clearance of Canadian eggs through local customs. Because the regulations permit oiling of the eggs (when the treatment is approved by the Venezuelan Ministry of Health) the high quality of Canadian eggs on arrival here is further assured.

Canadian sales in 1958 were heaviest and most competitive during January, February, March and April,

The Venezuelan Government keeps a close watch over the quality of the eggs imported. Here eggs from a shipment are being candled by an employee of the Ministry of Agriculture.

and again in September, October, November and December.

Experience has shown that eggs packed in cardboard cartons with "fillers and flats" are less apt to break. Oversized eggs must be removed from a carton to ensure minimum breakage en route.

Local Production Small

It has been roughly estimated that Venezuelan producers can satisfy only 3 per cent of domestic requirements; imports from the United States, Canada, Poland, Denmark, Argentina, Holland and Australia make up the rest. Locally-produced fresh eggs command higher prices than imports do, but this has not proved sufficient stimulus to expand the domestic industry to any degree. Production costs are high, Newcastle disease is not yet adequately controlled, and would-be investors have been reluctant to consider the egg-producing business as long as there is direct competition from low-cost, quality imported eggs. This applies particularly to the sizable, although hard to measure, volume of imported eggs which have been marketed as domestic fresh eggs.

Import Control Measures

The Venezuelan Government is seeking to expand the country's productivity but at the same time has been seriously concerned with minimizing the exorbitant living costs. Inevitably, it faces a dilemma. To what extent would protection, aimed at stimulating the local egg industry, result in an effectively higher yield? On the other hand, to what extent would it result in short supplies and much too high prices?

The local egg industry is in a very early stage of development and, considering that currently it can supply only a minute segment of the market, it can hardly be expected to take up the slack resulting from a sudden curtailment of imports. For this reason, a set of egg import regulations, stringently drafted to curtail an estimated 80 per cent of imports, was abrogated shortly after it appeared in October 1958 in official decree form. The new set of import requirements, which was approved as a decree in November 1958, has been closely patterned after Canadian regulations. Therefore, no hindrance to the Canadian egg trade is anticipated.

However, it is important to realize that imported eggs are now subject to exacting controls. Government health inspectors examine approximately 10 per cent of incoming eggs, and have stipulated that Grade A eggs must be received in Venezuela at a minimum 80 per cent of grade in order to be permitted to sell under this classification. Experience to date has shown that, whereas at least two non-Canadian egg shipments did not pass Venezuelan inspection, Canadian eggs have been well received. Customs and health inspectors have cleared recent Canadian shipments at well over the required 80 per cent of grade and have commented favourably on their quality. These Canadian eggs were shipped and certified at over 90 per cent of grade which ensured their arrival in Venezuela well within stipulated regulation tolerances.

Eggs which do not pass local inspection must be reclassified and the marking changed before they are sold. This procedure is costly and can result in serious financial loss, either to the shipper or to the local consignee. For this reason, in some instances the consignee has been reluctant to confirm orders from some sources unless the shipper agrees to assume any loss which may result from mandatory reclassification.

"Canada" Mark Recommended

It is conceivable that, in spite of precautions taken by Venezuelan authorities, under-grade eggs may from time to time slip through customs. Since all incoming eggs need be marked only with "importado" (imported) and their grade, an under-grade shipment could cause adverse consumer reaction towards all imported eggs. Therefore, it would seem desirable to identify quality Canadian eggs with the word "Canada" indelibly marked on each egg. This would in no way contravene existing regulations. In fact, some Canadian eggs have already been imported with this additional marking.

Market Trend

It is impossible to foresee accurately how the Venezuelan market for imported eggs will shape up in a few years' time. However, the prospects are encouraging. Venezuela has one of the fastest growing populations in the world. Her standard of living is rising steadily, creating a growing consumer market. Competition from local egg producers is not expected to threaten imports significantly since it will be many years before they can build up a substantial production.

The Commercial Counsellor's office in Caracas will be glad to supply detailed information on Venezuelan egg regulations and on the best shipping practices.

Shipping to Venezuela?

Many Canadian companies that ship to Venezuela avoid consigning goods to the agent's own account. Instead they make a practice of naming a customs broker there as consignee and issue standing instructions that he is not to release the title to the goods until the bank advises him that the draft has been paid. An alternative procedure is to ask the Venezuelan consul to stamp the consular and commercial invoices covering the goods with the "red seal clause". This stipulates that the goods may be released from customs only upon presentation of the original documents.

Can We Sell Furniture in the Midwest?

When the Chicago office approached furniture buyers about handling Canadian lines, it emerged with some constructive suggestions that our manufacturers might ponder.

G. F. OSBALDESTON,
Vice Consul and Assistant Trade Commissioner

SOME six months ago we at the Chicago office of the Trade Commissioner Service decided to explore the possibility of marketing Canadian furniture in this area. Chicago is the home of the American Furniture Mart and the Merchandise Mart, the two largest institutions devoted to the merchandising of household goods in the United States.

Because they are at the center of the United States furniture market, we expected that Chicago buyers would be exacting in their demands—and this proved to be true. In addition, we expected that they would be extremely well versed in competitive costs and matters of styling. Once again, this was borne out in our contacts with them.

Our survey was limited in its effectiveness by two major problems. In the first place, we only had catalogues and price lists to show. There is no need to emphasize that major buyers make no decisions on the quality of a line until they have examined a number of major pieces. Second, our knowledge of the Canadian lines that we were working with was limited. In many instances we did not know the type of wood used nor the manner in which finishes were applied. In some cases, we were unaware of delivery dates—and these are of major importance. To obtain all the necessary information would have required a good deal of effort on the part of the Canadian producer. But we felt that we should discover some possibility of successful marketing here before we requested more information.

Realizing these limitations, we decided to get answers, if possible, to three questions:

1. *Is Canadian styling acceptable to U.S. buyers?*
2. *Are Canadian prices competitive?*
3. *Should we expand our survey and make a more detailed approach on behalf of those Canadian lines that received preliminary approval from local buyers?*

Is Canadian Styling Acceptable?

Every Canadian line shown during the survey brought the reaction here that it duplicated lines available in the United States. This was not unexpected because the U.S. furniture industry invests a good deal of money in styling and this styling is often copied by Canadian producers. In addition, many Canadian manufacturers have agreements with U.S. firms that allow them to produce the U.S. designs in Canada.

Basically, none of the buyers we contacted was interested in lines duplicating existing U.S. lines. What they were looking for from our producers was a distinctive Canadian design. It was frequently suggested that if someone had an early French Canadian habitant line that was "different", it would be of interest.

Because of the lack of samples, the quality of construction could not be emphasized to any extent to offset this complaint of similarity.

Are Canadian Prices Competitive?

In considering the market possibilities for case goods, price proved to be the one hopeful factor. The customs duty on case goods is 10½ per cent, except for chairs of wood on which it is 17 per cent. The duty on upholstered goods is even higher and for this reason, we discovered, they are not competitive.

However, case goods were generally found to meet U.S. prices on a Chicago duty-paid delivered basis. On some pieces of a line the price was quite competitive; on others, it was too high. If Canadian quality was higher or even equal to U.S. quality, then some Canadian case goods could compete in price.

Should Survey Be Continued?

We did not feel that any of the lines used in this preliminary survey could benefit by further approaches to the trade. The designs are too close to U.S. styles and the prices are not sufficiently low. Until we have the determining factor—quality—available in our promotion, it is unlikely that we could make any further progress.

A distinctive Canadian line, produced in Canada, would merit a new approach to the trade. In addition, a high-priced, hand-crafted line of period design might find acceptance.

As for the lines used in the survey, we would like to see the reaction of U.S. buyers if they were shown at one of the major furniture marts. It is possible that the combination of quality, price and design might prove attractive; this statement is based on a belief that Canadian quality would be high. However, we have not found sufficient interest around Chicago to recommend to any Canadian firm that it exhibit at these marts. ●

Fairs and Exhibitions

Canton Fair Invites Visitors

FOREIGN traders are being invited to attend the Chinese Export Commodities Fair in Canton, to be held from April 15 to May 15. This spring fair is expected to be considerably more active than the one last fall and it is said that the Chinese plan to buy much more from foreign suppliers. The aim of the fair is to promote two-way trade and representatives of the Chinese Trade Corporations will be on hand to discuss export and import business with industrialists and merchants from Canada. Businessmen interested in attending should write as soon as possible to the Chinese Export Commodities Fair (Spring) 1959, Canton, China.

Fairs in Eastern Europe

CANADIANS travelling in Europe this autumn may wish to drop in on three fairs in two Eastern European countries: Czechoslovakia and Yugoslavia. Foreign exhibitors are accepted at all three and we are providing names and addresses of the fair organizers for Canadian businessmen who may wish to exhibit.

The *International Trade Fair* in Brno, Czechoslovakia, is given over to the engineering and metallurgical industries and includes raw materials and semi-processed products related to these industries, as well as some consumer goods. The dates this year are September 6-20. This is a big show, according to attendance figures: in 1957, (the fair was not held last year) there were well over 1.7 million visitors and about 8,000 came from 70 foreign countries. The organizer is the Corporation for the Organization of International Trade Fairs and Exhibitions in Brno, and the address of the Prague branch is Prague 2, Vaclavske N.17.

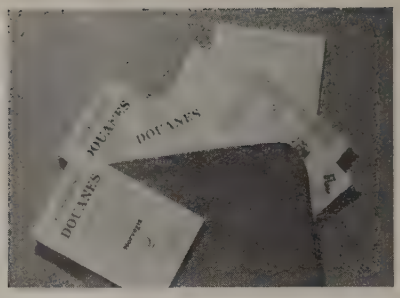
Belgrade and Zagreb will each stage a big fair this fall featuring industrial machinery and equipment. The Belgrade show, known as the *III International Technical Fair,* will open on August 23 and close on September 2. Some 60,000 overseas visitors took advantage of the general invitation to foreign countries last year. Anyone wishing to exhibit in 1959 may write for further details to: Belgrade International Fair, 14 Bulevar Vojvode Misica, Belgrade, Yugoslavia.

The *Zagreb International Fair* from September 5-20 is labelled "general" but it lays most stress on heavy industrial machinery. Prospective visitors can gauge the size of the show from last year's attendance, said to have reached 1,197,000. For more information and application forms, businessmen may write to the Zagreb International Fair, Aleja B. Kidrica, Zagreb, Yugoslavia.

Trade Fair in Lima

AN attractive brochure has come across our desk containing some interesting details about Peru's first international trade fair, to be held in Lima from October 1-18 this year. With industry and commerce moving ahead by leaps and bounds in Latin America, this fair should be an excellent place to make one's goods (and oneself) known to Latin Americans.

The exhibition is sponsored by the Peruvian Government in co-operation with representatives of Peruvian business. Sales may be made on the spot, though goods can be withdrawn only after the fair has closed. The charges for display space range from US$180 for a 10′ x 10′ indoor stand to US$225 for a 16′ x 16′ one outdoors and applications must be accompanied by at least 50 per cent of the fee. Businessmen interested in the fair should write for more information to Mr. Gosta A. Lettersten, Secretary-General, Pacific International Trade Fair, P.O. Box 4900, Lima, Peru.



Trade and Tariff Regulations

Europe

TARIFF NOMENCLATURE ADOPTED—Effective January 1, 1959, Norway and Sweden introduced new tariffs based on the nomenclature of the Customs Co-operation Council. The same tariff nomenclature was adopted by Denmark and Italy on February 1. The United Kingdom also took this step on January 1, 1959, and this was reported in *Foreign Trade* of January 17. This follows similar action which had previously been taken, among Western European countries, by Austria, France and the Federal Republic of Germany. Prospects are for a further extension of a standard tariff nomenclature in Europe. Switzerland has prepared a draft tariff on the same basis which is not yet in force. These are changes in tariff nomenclature, not in rates of customs duties. No commitments exist under the Customs Co-operation Council regarding the level of duties.

The effect of these moves, as far as Canadian exporters are concerned, is to introduce a measure of uniformity and relative simplicity in the tariff structures facing Canadian shipments to the European market. The nomenclature of the Customs Co-operation Council provides a systematic classification for all goods in international trade. The goods are divided into sections and chapters and are arranged in sequence, beginning with animal and vegetable products and proceeding through raw materials to semi-manufactured and manufactured goods, classified according to the many substances of which they are made or according to descriptive trade groups. Although every country is free under the convention of the Customs Co-operation Council to break items down into as many sub-items as it wishes, it is required to follow the standard tariff item description and numbering as well as the standard rules applicable to tariff chapters.

United States

MANDATORY CONTROL IMPOSED ON OIL IMPORTS—On March 10 the President issued proclamation 3,279 imposing mandatory import restrictions on petroleum and petroleum products entering the United States. This proclamation cancelled and replaced the so-called voluntary import program that had been in effect for the previous four years. Imports of crude oil and unfinished products were placed under control on March 11, and imports of finished products, such as liquefied gases, gasoline, jet fuel, naphtha, fuel oil, lubricating oil, residual fuel oil, and asphalt, were placed under control on April 1.

The quantity permitted entry is dependent upon a number of factors. Briefly, in Districts I to IV (i.e. the states east of the Rocky Mountains) the maximum level of imports of crude oil, unfinished oils, and finished products (except residual fuel oil) shall be approximately 9 per cent of total demand in these districts as estimated by the Bureau of Mines. In District V (i.e., states west of the Rocky Mountains) the maximum level of imports of crude oil, unfinished oils, and finished products shall be an amount which, together with domestic production and supply, will approximate total demand in this district as estimated by the Bureau of Mines for periods fixed by the Secretary of the Interior. The proclamation also provides for the control of the proportion of imports entering in the form of unfinished oils and finished products.

In addition to the maximum levels, additional imports may be permitted as necessary to meet the minimum requirements of refiners, and pipeline companies using crude oil directly as fuel, which are not able to obtain sufficient quantities of domestic crude oil by ordinary and continuous means, such as by barges, pipelines, or tankers.

Also, the Director of the Office of Civil and Defence Mobilization is requested to maintain a constant surveillance of imports of petroleum and its primary derivatives in respect of the national security, and inform the President of any circumstances which, in the Director's opinion, might indicate the need for further presidential action on the grounds of national security. In the event prices of crude oil or its products or derivatives should be increased after the effective date of this proclamation, such surveillance shall include a determination as to whether such increase or increases are necessary to accomplish the national security objectives of the United States.

Index to *Foreign Trade*

The index to Volume 110 of "Foreign Trade", covering the issues from July 1, 1958, to December 20, 1958, has now been printed. Readers who wish to have copies should write to the Editor.

foreign trade service abroad

Bentley's Second Phrase Code is used by Canadian Trade Commissioners

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett Commercial Counsellor G. E. Blackstock Assistant Commercial Secretary	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton Commercial Counsellor for Canada H. S. Hay Assistant Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street SYDNEY	*Mail:* *P.O.* Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	T. G. Major Commercial Counsellor for Canada	83 William Street MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Austria Czechoslovakia, Hungary	R. K. Thomson Commercial Secretary for Canada	Opernringhof Opernring 1 VIENNA 1	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 57-25-97
Belgian Congo Angola, French Equatorial Africa	K. Nyenhuis Canadian Government Trade Commissioner R. A. Bull Assistant Trade Commissioner	Forescom Building LEOPOLDVILLE 1	*Mail:* Boîte Postale 8341 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	L. H. Ausman Commercial Counsellor J. R. Roy Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 13.38.50
Brazil	V. L. Chapin Commercial Counsellor C. M. Kerr Assistant Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	R. C. Anderson Vice Consul and Acting Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
Ceylon	Commercial Secretary (absent)	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Tel.:* 91341
Chile	H. M. Maddick Commercial Secretary	Canadian Embassy 6th Floor Av. General Bulnes, 129 SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	N. L. Currie Acting Commercial Secretary	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 BOGOTA	*Airmail:* Apartado Aereo 3562 *Surface Mail:* Apartado 1618 *Cable:* CANADIAN *Tel.:* 30-065
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Denmark Greenland, Poland	C. F. Wilson Commercial Counsellor	Canadian Embassy 4 Trondhjems Plads COPENHAGEN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Tria 1602

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France Algeria, French West Africa, Morocco, Tangier, Tunisia	R. Campbell Smith Commercial Counsellor C. T. Charland Assistant Commercial Secretary	Canadian Embassy, 35 Avenue Montaigne, PARIS 8e	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* BALzac 99-55
Germany Federal Republic	J. A. Stiles Commercial Counsellor G. F. Mintenko Assistant Commercial Secretary W. J. O'Connor Assistant Commercial Secretary (Agriculture)	Canadian Embassy 22 Zitelmannstrasse BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
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India Calcutta, Madras, Goa	H. A. Gilbert Canadian Government Trade Commissioner W. J. Collett Assistant Trade Commissioner	Gresham Assurance House Mint Road BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 255154
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Ireland	Commercial Secretary for Canada (absent)	66 Upper O'Connell St. DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251

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Lebanon Iraq, Jordan, Persian Gulf area, Syrian Region of United Arab Republic	C. O. R. Rousseau Commercial Secretary	Canadian Embassy Alpha Building Rue Clemenceau BEIRUT	*Mail:* Boîte Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
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Netherlands	W. R. Hickman Commercial Secretary B. Horth Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 61-41-11
New Zealand Fiji, French Oceania, Western Samoa	J. H. Stone Commercial Secretary J. MacNaught Assistant Commercial Secretary	Office of the High Commissioner for Canada Government Life Insurance Bldg. WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	Commercial Counsellor (absent)	Canadian Embassy Fridtjof Nansens Plass 5 OSLO	*Mail:* P.O. Box 1379—Vika *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan	H. J. Horne Commercial Secretary	Office of the High Commissioner for Canada Hotel Metropole, Victoria Rd. KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 50322
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Territory	Officer	City Address	Mail and Cables, Office Telephone
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South Africa (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	C. R. Gallow Canadian Government Trade Commissioner I. V. Macdonald Assistant Trade Commissioner	Mutual Building Harrison Street JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANADIAN *Tel.:* 33-2628
South Africa (Cape Province), St. Helena, Southwest Africa	M. R. M. Dale Canadian Government Trade Commissioner	602 Norwich House The Foreshore CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart Commercial Counsellor	Canadian Embassy Edificio España Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 47-54-00
Sweden Finland	A. P. Bissonnet Commercial Counsellor	Canadian Embassy Strandvagen, 7-C STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland	B. I. Rankin Commercial Counsellor G. P. Morin Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
United Arab Republic Egyptian Region Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	D. S. Armstrong Commercial Secretary	Canadian Embassy 6 Sharia Rouston Pasha Garden City CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
United Kingdom	B. C. Butler Minister (Commercial) D. A. B. Marshall Agricultural Counsellor W. Gibson-Smith Commercial Secretary S. G. Tregaskes Commercial Secretary E. J. White Commercial Secretary (Timber)	Office of the High Commissioner for Canada Canada House Trafalgar Square LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England)	A. W. Evans Canadian Government Trade Commissioner	Martins Bank Building Water Street LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	Canadian Government Trade Commissioner (absent)	36 Victoria Square BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	Dr. W. C. Hopper Minister (Commercial) Wm. Jones Commercial Secretary W. A. Stewart Assistant Commercial Secretary	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen Deputy Consul General (Commercial)	Canadian Consulate General 680 Fifth Ave NEW YORK CITY 19	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400

Territory	Officer	City Address	Mail and Cables, Office Telephone
United States—*con.*	H. E. Lemieux Consul and Trade Commissioner F. I. Wood Vice Consul and Assistant Trade Commissioner		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	F. B. Clark Consul and Trade Commissioner	Canadian Consulate General 532 Little Building 80 Boylston Street BOSTON 16	*Mail:* (City Address) *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	R. F. Renwick Consul and Trade Commissioner G. F. J. Osbaldeston Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 111 North Wabash Avenue CHICAGO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAndolph 6-6033
United States (Michigan, Ohio)	M. J. Vechsler Consul and Trade Commissioner J. R. Midwinter Vice Consul and Assistant Trade Commissioner	Canadian Consulate 1139 Penobscot Building DETROIT 26	*Mail:* (City Address) *Tel.:* WOodward 5-2811
United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico	T. M. Burns Consul and Trade Commissioner	Canadian Consulate General 510 West Sixth Street LOS ANGELES 14	*Mail:* (City Address) *Tel.:* MAdison 2-2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	T. F. Harris Consul and Trade Commissioner	Canadian Consulate General 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* JAckson 5-2136
United States California, (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 3rd Floor, Kohl Building 400 Montgomery Street SAN FRANCISCO 4	*Mail:* (City Address) *Tel.:* SUtter 1-3039
United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General The Tower Building Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	Commercial Counsellor (absent)	Canadian Embassy No. 1409 Avenida Agraciada PISO 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Tel.:* 96096
Venezuela Netherlands Antilles	R. E. Gravel Commercial Counsellor R. D. Sirrs Assistant Commercial Secretary	Canadian Embassy Edificio Pan American Avenida Urdaneta Puente Urapal, Candelaria CARACAS	*Mail:* Apartado 9277 *Cable:* CANADIAN *Tel.:* 54.34.32
West Indies (Barbados, Trinidad and Tobago, Windward and Leeward Islands) British Guiana, French Guiana, Surinam Guadeloupe, Martinique	R. G. C. Smith Commissioner for Canada P. T. Eastham Assistant Commercial Secretary	Colonial Building 72 South Quay PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
West Indies (Jamaica) Bahamas, British Honduras	H. E. Campbell Canadian Government Trade Commissioner M. S. Strong Assistant Trade Commissioner	Barclays Bank Building King Street KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.032924.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent March 26	Units per Canadian dollar	Notes (see below)
Argentina	Peso	Free	.01432	69.83	(1)
Austria	Schilling		.03724	26.85	
Australia	Pound		2.1805	.4586	
Bahamas	Pound		2.7256	.3669	
Belgium, Belgian Empire and Luxembourg	Franc		.01936	51.65	
Bermuda	Pound		2.7256	.3669	
Bolivia	Boliviano	Free	.00008474	1180.08	
British Guiana	Dollar		.5678	1.76	
British Honduras	Dollar		.6814	1.47	
Brazil	Cruzeiro	General Category*	.003274	305.45	*Feb. 24 (2)
		Special Category*	.002430	411.43	
		Official buying	.05144	19.44	(3)
Burma	Kyat		.2033	4.92	
Ceylon	Rupee		.2044	4.89	
Chile	Peso	Free	.0009211	1085.66	(4)
Colombia	Peso	Certificate	.1513	6.61	
Costa Rica	Colon	Official	.1724	5.80	
		Controlled free	.1458	6.86	
Cuba	Peso		.9681	1.03295	tax 2%
Czechoslovakia	Koruna		.1345	7.43	
Denmark	Krone		.1408	7.10	
Dominican Republic	Peso		.9681	1.03295	
Ecuador	Sucre	Official	.06454	15.49	
		Free	.05715	17.50	
Egyptian Region, United Arab Rep.	Pound	Official	2.7800	.3597	
	"	Export account selling	2.0350	.4914	
El Salvador	Colon		.3873	2.58	
Fiji	Pound		2.4555	.4072	
Finland	Markka		.003025	330.58	
France, Monaco and North Africa	Franc		.001974	506.59	(5)
French colonies	Franc		.003948	253.29	(6)
French Pacific	Franc		.01086	92.08	(7)
Germany	D Mark		.2317	4.31	
Ghana	Pound		2.7256	.3669	
Greece	Drachma		.03227	30.99	
Guatemala	Quetzal		.9681	1.03295	
Haiti	Gourde		.1936	5.16	
Honduras	Lempira		.4841	2.06	
Hong Kong	Dollar	Free*	.1681	5.95	*Mar. 13
		Official	.1703	5.87	
Iceland	Krona	Official	.05945	16.82	(8)
India	Rupee		.2044	4.89	
Indonesia	Rupiah	Effective buying	.03187	31.38	*Mar. 16
		Effective selling	.02558	39.09	(8)
Iran	Rial	Certificate	.01278	78.24	

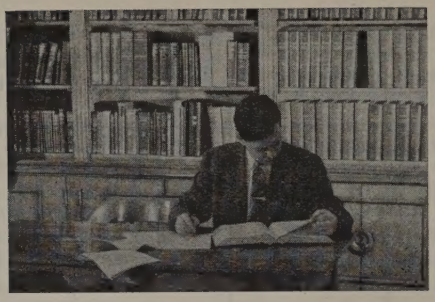
*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent March 26	Units per Canadian dollar	Notes (see below)
Iraq	Dinar		2.7108	.3688	
Ireland	Pound		2.7256	.3669	
Israel	Pound		.5378	1.86	
Italy	Lira		.001560	641.02	
Japan	Yen		.002689	371.88	
Lebanon	Pound	Free	.3078	3.25	
Mexico	Peso		.07745	12.91	
Netherlands	Florin		.2566	3.90	
Netherlands Antilles	Florin		.5170	1.93	
New Zealand	Pound		2.7256	.3669	
Nicaragua	Cordoba	Effective buying	.1467	6.82	
		Official selling	.1374	7.28	
Norway	Krone		.1361	7.35	
Pakistan	Rupee		.2044	4.89	
Panama	Balboa		.9681	1.03295	
Paraguay	Guarani	Official	.008068	123.95	
Peru	Sol	Certificate	.03520	28.41	
Philippines	Peso		.4841	2.06	
Portugal & Colonies	Escudo		.03379	29.59	(9)
Singapore and Malaya	Straits dollar		.3180	3.14	
Spain and Dependencies	Peseta	Controlled free	.02305	43.38	(8)
Sweden	Krona		.1872	5.34	
Switzerland	Franc		.2242	4.46	
Syrian Region, United Arab Rep.	Pound	Free	.2710	3.69	
Thailand	Baht	Free	.04628	21.61	(8)
Turkey	Lira		.1076	9.29	
Union of South Africa	Pound		2.7256	.3669	
United Kingdom	Pound		2.725625	.366888	
United States	Dollar		.968125	1.032924	
Uruguay	Peso	Free	.1089	9.18	
		Basic buying	.6373	1.57	(8)
		Principal selling	.4608	2.17	
Venezuela	Bolivar		.2890	3.46	
West Indies Fed.	Dollar		.5678	1.76	(10)
	Pound		2.7256	.3669	(11)
Yugoslavia	Dinar		.003227	309.88	(8)

*Latest available quotation date.

notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. Brazil: exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate plus a surcharge of 61.18 cruzeiros..
4. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 5,000 per cent, depending on product, prior to shipment of goods.
5. France: territory includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
6. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, Oceania.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. Barbados, Trinidad, Tobago, Leeward and Windward Islands
11. Jamaica.



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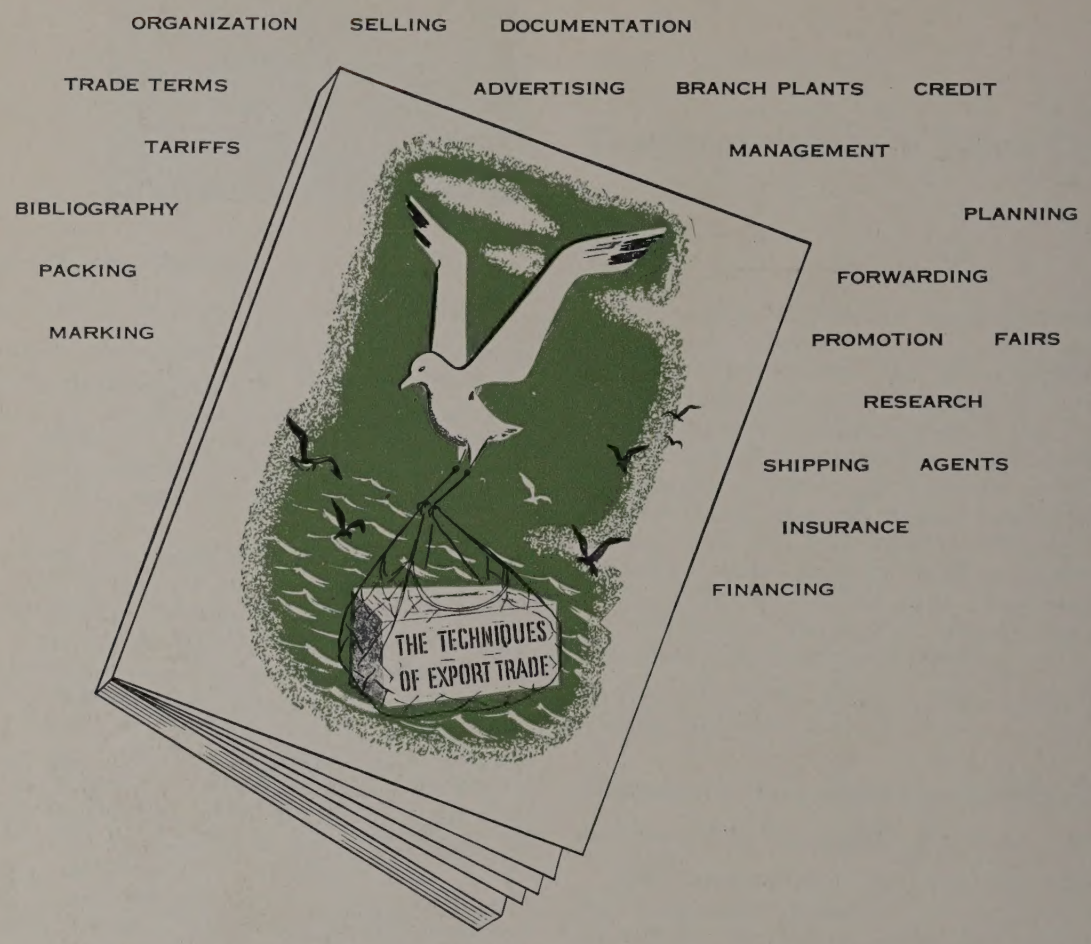

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